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THE FY88 PERFORMANCE AUDIT
OF THE
METROPOLITAN TRANSPORTATION COMMISSION

FINAL REPORT

Presented by
Booz, Allen & Hamilton Inc.
Transportation Consulting Division

in association with

McGuire and Company

OCTOBER 12, 1988



2005
0147

BOOZ.ALLEN & HAMILTON INC.

SUITE 310 • 5933 WEST CENTURY BOULEVARD • LOS ANGELES, CALIFORNIA 90045 • TELEPHONE: (213) 216-2838

October 12, 1988

Mr. Joel Markowitz
Manager, Transit Coordination
Metropolitan Transportation Commission
Metro Center
101 Eighth Street
Oakland, CA 94607

Dear Mr. Markowitz:

Booz, Allen and Hamilton, Inc., and McGuire and Company are pleased to submit this FY88 Performance Audit Final Report on the Metropolitan Transportation Commission (MTC). The audit assesses MTC's performance over the period FY85 through FY88.

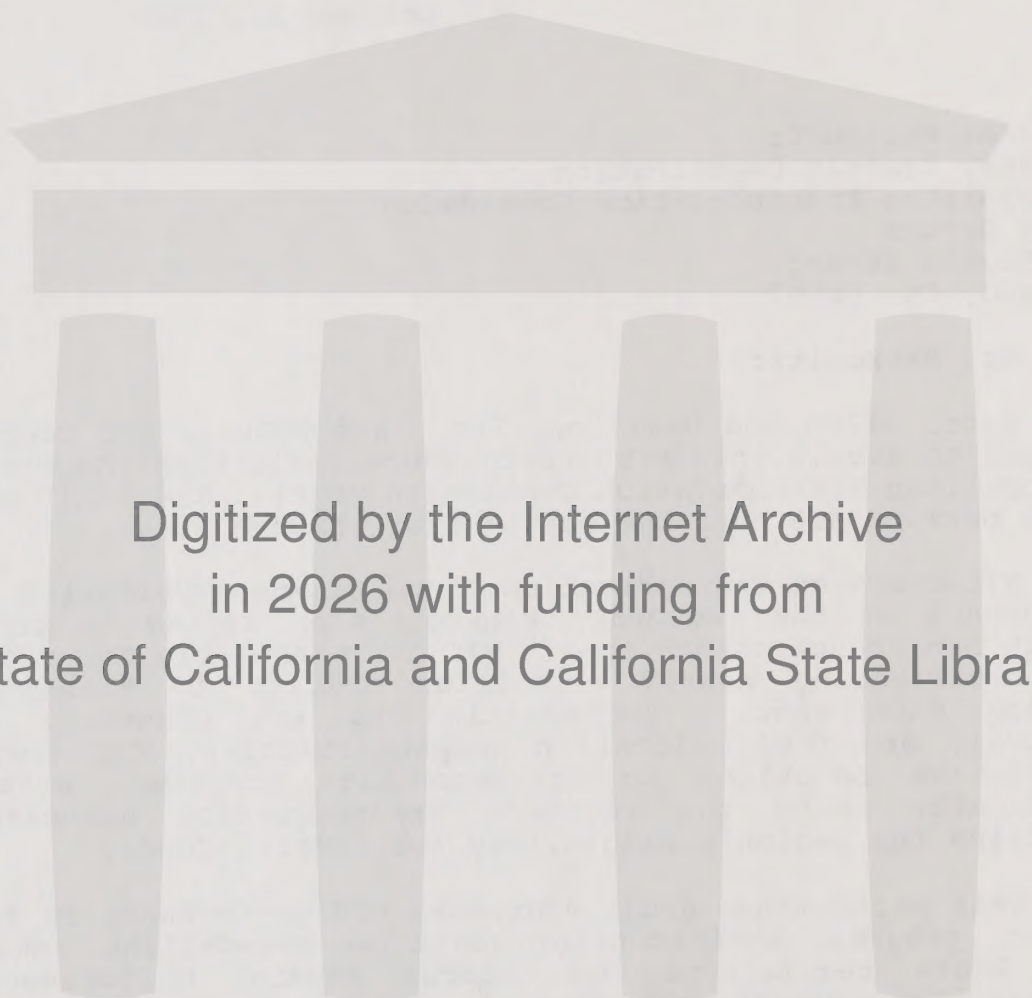
MTC oversees transportation planning and development for all components of the regional transportation system in the nine-county San Francisco Bay Area. MTC is responsible for allocating and distributing nearly a billion dollars in transportation funding each year. In addition to its planning, project approval, and fund allocation responsibilities, MTC also seeks legislative solutions to transportation problems, acts as a coordinator among the region's transportation agencies, and maintains the region's eligibility for federal funds.

This performance audit addresses MTC performance in five key areas: progress against prior audit recommendations, compliance with State regulations and federal funding guidelines, work conduct, management performance and regional transportation impacts. Because of positive findings in each of the initial four audit areas, the detailed audit efforts focused on MTC's effectiveness in impacting regional transportation.

This final performance audit report is organized into the following sections:

- o Executive Summary
- o MTC Overview and Audit Approach
- o Preliminary Audit Findings and Conclusions
- o Regional Impacts: Program Evaluation
- o Conclusions and Opportunities

We have also attached appendices including tabulations and



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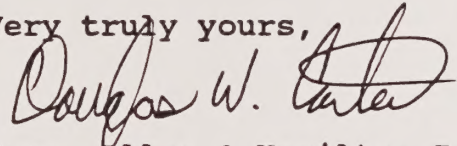
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Mr. Joel Markowitz
October 12, 1988
Page 2

responses on the employee questionnaire and comments from agencies.

We wish to express our appreciation for the excellent assistance and insights we received from MTC staff during the conduct of this performance audit. We further express our gratitude for the cooperative response provided by more than forty external agencies involved in transportation in the Bay Area. If you have any questions concerning this report, do not hesitate to call me at (213) 216-2838, at your earliest convenience.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Douglas W. Carter". The signature is fluid and cursive, with a large, stylized initial "D".

Booz, Allen & Hamilton Inc.

Douglas W. Carter
Senior Associate

DWC/lcc

Enclosure

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The California State Transportation Development Act requires that a performance audit of effectiveness and efficiency be conducted every three years. The FY88 Triennial Performance Audit of the Metropolitan Transportation Commission was conducted in two sequential phases. The intent of the first phase of the Performance Audit was to understand the function of the Metropolitan Transportation Commission (MTC), and to review compliance, and work and management performance. Phase II, the detailed portion of the audit, assessed MTC's impact on regional transportation, particularly in the areas of coordination and consensus-building.

This Executive Summary presents the findings of the Booz, Allen Team for both audit phases. Topics covered in this summary include:

- o audit approach
- o status of prior (FY85) audit recommendations
- o compliance with State regulations and federal guidelines
- o assessment of MTC performance by function
- o recommendations.

AUDIT APPROACH

The Booz, Allen Team audit approach placed a strong emphasis on input from MTC employees and external agencies involved in Bay Area transportation. Forums for input included not only review of written documents and material, but substantial written and verbal communication with more than 100 individuals. Contact with individuals was made in small group interviews, individual interviews, written correspondence, and the written MTC employee survey. Groups involved in providing input included:

- o MTC management and staff
- o large and small transit operators
- o public works directors and staff
- o public/private interest groups
- o other federal, State and local agencies.

MTC staff and external agencies alike greatly appreciated the opportunity to provide input. The input received was used to assess MTC performance and identify opportunities for improved effectiveness.

STATUS OF PRIOR (FY85) AUDIT RECOMMENDATIONS

The Booz, Allen Team concludes that the MTC has taken sufficient actions to implement each of the recommendations made in the FY85 Performance Audit. Actions taken by MTC were in five substantive areas and include:

- o better monitoring of delinquent TDA financial audits
- o continued advocacy efforts for State and federal funds
- o continued efforts to reduce and simplify operator reporting requirements
- o implementation and improvement of training and development programs for MTC staff
- o decentralization and standardization of MTC's management information system.

Efforts to act on these recommendations have been highly commendable and have contributed to improvements in MTC's operations and performance results.

COMPLIANCE WITH STATE REQUIREMENTS AND FEDERAL FUNDING GUIDELINES

Compliance refers to the extent to which the MTC effectively accomplished the tasks it is required to perform by State legislative mandate and federal funding guidelines. The Booz, Allen Team found:

- o the MTC to be in compliance with all relevant laws and regulations established for transportation planning agencies by the State of California in the Transportation Development Act (TDA)
- o the MTC is generally in compliance with federal funding guidelines. While these are not legislatively mandated, they contribute significantly to the timely and continued flow of federal funds.

The auditor's rigorous review uncovered only two out of four federal requirements which warrant further attention by MTC:

- o more timely submission of FHWA indirect cost plans
- o faster project completion where UMTA Section 8 planning funds are involved, so that grants may be closed out sooner (e.g., two rather than four years).

Overall, MTC's compliance with funding requirements and regulations is exemplary, and external agencies and staff commend

MTC on compliance efforts.

ASSESSMENT OF MTC PERFORMANCE BY FUNCTION

In the process of evaluating MTC's work performance, management performance, and ability to impact regional transportation, a consensus emerged that MTC has four primary functions:

- o funding responsibility
- o oversight role
- o coordination and consensus-building
- o technical assistance.

This section presents the Booz, Allen Team's assessment of MTC performance in each of these areas, as well as perceptions of performance by external agencies and staff. Also presented in this section are internal MTC management issues.

Funding Responsibilities

MTC funding responsibilities fall into three categories:

- o programming of regional, State and federal transit and highway funds
- o allocating and administering regional and State transit funds
- o advocating discretionary State and federal funds for transit and highway projects.

MTC is designated by the State and federal governments as the Regional Transportation Planning Agency (RTPA) and Metropolitan Planning Organization (MPO) for the Bay Area. This designation makes MTC responsible for programming transportation funds to implement regional transportation plans, and for allocating State Transit Assistance (STA) and TDA funds.

External agencies expressed the opinion, and the Booz, Allen Team concurs, that MTC's performance in areas of programming and allocating funds is efficient, professional and timely. In the auditor's opinion, MTC is in full compliance with State regulations for allocating and administering STA and TDA funds.

MTC has also assumed fund advocacy responsibility. This is significant because, unlike the other two funding responsibilities, fund advocacy is not mandated by law, and is voluntary. Fund advocacy involves not only lobbying for State and federal funding approval, but providing technical assistance and coordination of project justifications and grant applications as well. The Booz, Allen Team and external agencies particularly

laud MTC's Fund Application Manual, which is clear, concise, and useful, and MTC's funding advocacy which is very effective.

The sole negative criticism of MTC's funding performance came from small operators who felt that federal grants were being delayed because MTC submitted the TIP late. The Booz, Allen Team has found this criticism to be unjustified. Small operators have the impression that MTC delays submittal of the TIP until all operator submittals are available. This is not, in fact, the case. MTC has submitted TIPs in a timely manner over the audit period, and amends the TIP to account for late submittals.

Oversight Role

MTC oversight responsibilities are primarily mandated by State TDA law and focus on transit operations rather than highways. Some oversight responsibilities are delegated to the MTC by the federal government as well.

MTC carries out its oversight responsibilities through:

- o reporting requirements (e.g., SRTP, TIP, Section 15, State Controller's Report)
- o Productivity Improvement Program (PIP)
- o Performance Audits
- o Transit Coordination Evaluation (e.g., fare and service coordination and regional information sharing).

The MTC takes its oversight responsibilities seriously, believing this role to be both important and necessary. Transit operators, however, are sometimes unsupportive of MTC's oversight role because they believe that reporting requirements and processes are onerous, and that MTC involvement in their daily business is inappropriate. Interest groups and regional agencies, however, want the MTC to be more assertive in exercising oversight responsibilities.

In the auditor's opinion, MTC has made substantial improvements in performing its oversight role. MTC has consistently critically reviewed its own programs and processes, and acted to improve these without hesitation. MTC specifically improved three programs during this audit period: the Productivity Improvement Program; the Transit Coordination Evaluation; and the Operator performance audits. In each case, MTC's changes reduced the administrative burden, refocused efforts on high-payoff issues and coordinated operator efforts and responses. Internal and external interests cite each of these programs as having measurably improved over the audit period.

Even though MTC has revised and improved oversight performance, future improvements are warranted and require MTC attention. Specifically, the PIP and operator performance audits still do not meet MTC's expectations and warrant further attention.

Coordination and Consensus-Building

As the designated RTPA and MPO, MTC has responsibility for coordinating transportation plans and efforts. Coordination requires consensus-building given the numerous independent transportation agencies in the Bay Area and their local funding base.

MTC has made significant progress in coordination, and has proven a key facilitator of regional consensus. Three programs in particular merit attention: the Rail Extension Program; Regional Highway System (RHS); and fare and service coordination.

The Rail Extension Program is highly successful, to date, and is an excellent example of regional planning and consensus-building. The credit for this success is given to the MTC and its ability to effectively build a consensus. Two other factors, however, contribute to the success of this program. These include the perceived need to act to effectively compete for federal dollars and the willingness to commit local funds to rail programs.

The Regional Highway System (RHS) has progressed, but still requires substantial effort to effectively define, plan and coordinate. The RHS is a proactive effort to influence post-interstate federal funding (i.e., FY92 and beyond). Cities and counties note that the extra work for RHS does not help current funding. This lack of urgency has slowed the progress of the program, but not halted it.

RHS is still in a seminal phase and continued efforts are justified. Focusing attention on potential future funding, being an advocate thereof, and defining regional transportation systems and plans are certainly primary responsibilities of MTC.

MTC has made significant strides in fare and service coordination over the audit period. MTC has been adept in performing necessary roles to ensure coordination. In the case of the Peninsula Pass, technical assistance was provided as requested by operators leading the effort. In the East Bay, MTC took a proactive role to resolve impediments to coordination. Transit operators, and other external agencies believe that much progress has recently been made and that improved service coordination has been attained as a result of MTC and operator diligence. Some external agencies believe that MTC should force even more coordination.

Technical Assistance

MTC performs a non-traditional role of providing technical assistance well beyond that related to fund applications and its oversight responsibilities. While these efforts do not reflect traditional RTPA and MPO roles, they are appropriate and effective. In this role, MTC serves as a technical problem solver and works directly with a transportation agency to address explicit problems. Through these efforts, transportation becomes more effective and efficient. Another benefit is that MTC and the operating entity become a team working toward a common goal. The understanding of each other's business created in this effort helps in future relationships.

Three technical assistance programs which have been particularly successful include: the Pavement Management System; Rent-a-Planner; and Rent-an-Analyst.

The Pavement Management System (PMS) is lauded as an ultimate success by its more than 30 user agencies. In this case, MTC listened to common user needs (all cities and counties in the Bay Area) and acted to develop a useful pavement management tool. As a result of MTC's continuing efforts, public works officials believe scarce road dollars are more effectively programmed and utilized.

The Rent-a-Planner program has improved transit operator planning effectiveness. Under this program, MTC planners are made available to operators requesting assistance for major service analyses and plan development efforts. The Rent-an-Analyst program is similar to the planning program, where technical analysts are provided to operators to resolve specific problems or issues. Four highly technical projects have been undertaken and successfully completed for Muni and AC Transit. Operators have noted a high degree of satisfaction with MTC efforts and results under both of these programs.

Internal Management Issues

The MTC is widely recognized as an efficient and effective agency by federal, State and local authorities. Its staff are considered to be of high calibre and its products are thoughtful and professional. The agency often leads efforts to improve planning, programming and reporting requirements both in the region and in the transportation industry. MTC, as an agency, is a recognized policy leader in the transportation industry.

MTC has proven to be austere in managing its resources--staffing and expenditures have remained fairly constant while responsibilities have expanded with regional needs. MTC has relatively high average staff tenure (about eight years at present), indicating that employees generally desire a long

professional relationship with MTC. Staff training programs have improved measurably over the audit period, and problems cited in the FY85 audit no longer exist. MTC has made significant strides in other resource management areas such as computer availability and information management and control.

Even though many positive improvements are evident in internal management practices, several concerns remain:

- o Internal communication needs strengthening at MTC. Staff indicate that they have limited opportunity to forward their ideas on performance improvement to top management. Further, top management does not consistently take time to communicate Commission objectives, processes and results to interested staff. This is particularly evident with the Rail Extensions Program where some involved staff still do not understand what actually occurred at the policy level to build consensus.
- o Upward mobility is constrained by low employee turnover and a limited number of managerial positions. This was discussed in the first audit phase, and management responded immediately. Two new manager positions were formed and filled to address this concern. Management and the Commission have demonstrated responsiveness to staff concerns by these actions.
- o Staff believes that MTC sometimes becomes process oriented, rather than results oriented. Much of MTC's work, by mandate, involves overseeing or implementing a specific process for funding, programming, planning or coordination. While MTC periodically realigns itself toward results, sometimes it gets caught up in the process, temporarily forgetting intended results. Examples include five year plans, and the productivity improvement program.
- o MTC staff believe they require greater insight as to their role and MTC's future direction. Staff have indicated that they desire greater policy direction as to what they should be accomplishing, which areas they can expand their influence in and areas they should avoid.

PERFORMANCE AUDIT RECOMMENDATIONS

As a result of the Booz, Allen Team's performance analysis, and generous input from internal and external MTC interests, the following recommendations are offered for MTC's consideration:

- o Submit FHWA indirect cost plans in a timely manner. MTC failed to do so for two of the last four years, but submitted all late plans during this audit cycle.
- o Attempt to accelerate timely UMTA grant closure, as requested by UMTA. MTC should continue to make good faith efforts to comply with this request.
- o Further strengthen the Productivity Improvement Program (PIP) without increasing administrative burdens. MTC should consider combining this program with performance audits to identify key areas for improvement, mutually identify improvement targets (measurable) and verify results.
- o Four specific improvements should be considered to strengthen operator performance audits: (1) require that audit results be presented to policy boards; (2) provide more resources to small operator audits and focus on fewer issues; (3) reinstate recommendations in transit operator audits; and (4) combine elements of the PIP with the performance audit.
- o Continue efforts to reduce overall transit operator reporting requirements. MTC might consider developing a spreadsheet model or guide to help operators complete similar reports.
- o As part of the next steps in the Rail Extensions Program, MTC should communicate with staff and bus operators. Staff should be appraised of the process that culminated in regional consensus, and bus only operators should be informed of potential rail program impacts to future bus subsidies (e.g., Section 3 and 9 monies).
- o MTC should reexamine the Regional Highway System (RHS) and renew efforts for further progress.
- o MTC should continue its proactive fare and service coordination activities.
- o MTC should re-evaluate the Rent-an-Analyst program, and develop a resource plan for its continued support. Currently, staff work around current responsibilities and the technical assistance project. This places an unnecessary burden on both MTC and the participating staff.

- o MTC should strengthen bi-lateral and inter-sectional internal communications. Several approaches warrant consideration:
 - Hold formal, brain-storming sessions to evaluate existing programs and new programs at least annually
 - Initiate informal "brown bag lunch" sessions to review topical issues and increase inter-sectional communication monthly
 - Develop a brief, internal newsletter which highlights significant actions, plans and accomplishments of MTC.

It is essential that top management participate with staff in these efforts.

- o MTC should increase the opportunity for advancement, within reason. Before the audit was complete, management responded by adding two new management positions.
- o MTC should formally review its processes, role and future direction annually, including staff in the review.

As noted throughout this report, MTC has performed efficiently, economically and effectively over the audit period (i.e., FY85 through FY88). MTC has made commendable improvements over prior audit performance, and all indications are that these trends will continue. Several recommendations are offered for MTC's consideration in making future improvements.

A final note on the performance audit is an editorial remark by the Booz, Allen Team. This audit process focused heavily on gaining internal and external insights and views on MTC performance. MTC staff, managers and external agency representatives from all forms of transportation interests expressed genuine appreciation for MTC's desire to hear them out. As the auditor, we performed the role of an independent sounding board for MTC. While the conclusions are ours, we also forwarded paraphrased comments of others in the report appendices. Having conducted numerous TDA audits across the State of California, the Booz, Allen Team believes this audit effort to be unique and particularly helpful to both MTC and the region. We would encourage MTC to periodically solicit employee and external concerns through an independent sounding board -- either through the performance audit process or some other mechanism.

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I. MTC OVERVIEW AND AUDIT APPROACH

I. MTC OVERVIEW AND AUDIT APPROACH

The Triennial Performance Audit of the Metropolitan Transportation Commission was conducted in two phases. The intent of the first phase of the Performance Audit was to understand the function and organization of the Metropolitan Transportation Commission (MTC), and to preliminarily review compliance, work performance, management and regional impacts. Phase II, the detailed portion of the audit, addressed two substantive areas of MTC's operations: (1) MTC's role in consensus-building for transportation issues in the region, and (2) MTC's role in transportation coordination for the region.

This section briefly describes MTC's organizational structure and function, and presents the steps the study team initiated to conduct the Phase I and Phase II reviews.

OVERVIEW OF MTC

The Metropolitan Transportation Commission was created by the California State Legislature, through AB 363, in September, 1970 to provide comprehensive regional transportation planning and financial programming for the nine county San Francisco Bay Area. This charter extends to all components of the Regional Transportation System including highways, transbay bridges, mass transit systems, paratransit, commute alternatives, non-motorized transportation, and the surface transportation impact of airports, seaports, and goods movement.

MTC serves a variety of roles within the region in accordance with state and federal legislation and regulations. These roles may be viewed in three basic perspectives:

- o Regional: MTC was created specifically by the state of California to provide comprehensive transportation planning for the San Francisco Bay Area. This responsibility is evident primarily in the development and implementation of a regional transportation plan (RTP), including a related financial plan. MTC has a further responsibility to allocate tax monies in support of transportation operations and improvements (e.g., AB 664: Bay Bridges toll authority, and AB 1107: BART Counties Sales Tax). MTC is the entity responsible for coordinating all transportation planning in the region and reviewing all project funding applications for conformance with the RTP.

- o State: MTC has also been designated by the state of California as the regional transportation planning agency (RTPA) for the Bay Area. As the RTPA, MTC is responsible for administering the transportation development act (TDA), including allocation of local transportation fund (LTF) monies.
- o Federal: MTC has been designated the Metropolitan Planning Organization (MPO) for the Bay Area. As the MPO, MTC must comply with the requirements of several federal agencies (e.g., UMTA, FHWA, and EPA).

MTC's principal responsibilities entail transportation planning, fund allocation and administration, and policy implementation. Among MTC's reporting requirements include preparation of the Regional Transportation Plan (RTP) and the Transportation Improvement Program (TIP). MTC also administers federal grant monies for transportation assistance (e.g., Federal Aid Highway Acts, and Urban Mass Transit Act).

In addition, to its planning, project approval, and fund allocation duties, MTC is empowered to seek legislative solutions to transportation problems, to act as a coordinator among the region's transportation agencies, and to maintain the region's eligibility for federal funds.

Today MTC approves grant applications for or directly allocates nearly a billion dollars a year. Its policy direction is provided by an 18-member Commission composed of representatives of the region's cities and counties, other regional agencies and the state and federal governments. The Commission is aided by a staff of 93 employees (84 full-time employees, four rent-a-planners, one project funded employee, and four part-time employees). The staff is headed by an Executive Director, who is assisted by a Deputy Executive Director. A staff organizational chart is presented in Exhibit I-1.

Brief descriptions of the major functional units within the MTC, as well as major accomplishments, are presented in Exhibit I-2.

AUDIT APPROACH

The FY88 Performance Audit of MTC has been conducted in two phases -- the preliminary audit and the detailed audit. The intent of the preliminary audit (Phase I) was to:

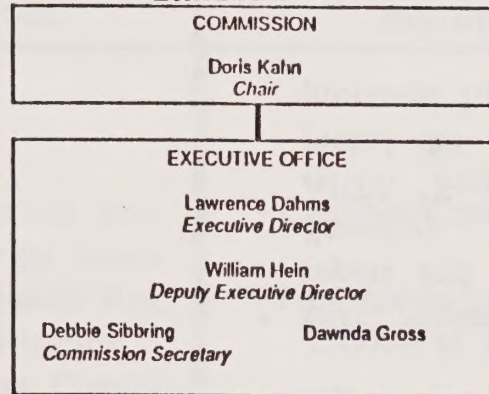
- o identify MTC's functional responsibilities -- discussed above
- o determine the status of prior audit recommendations

MTC

METROPOLITAN
TRANSPORTATION
COMMISSION

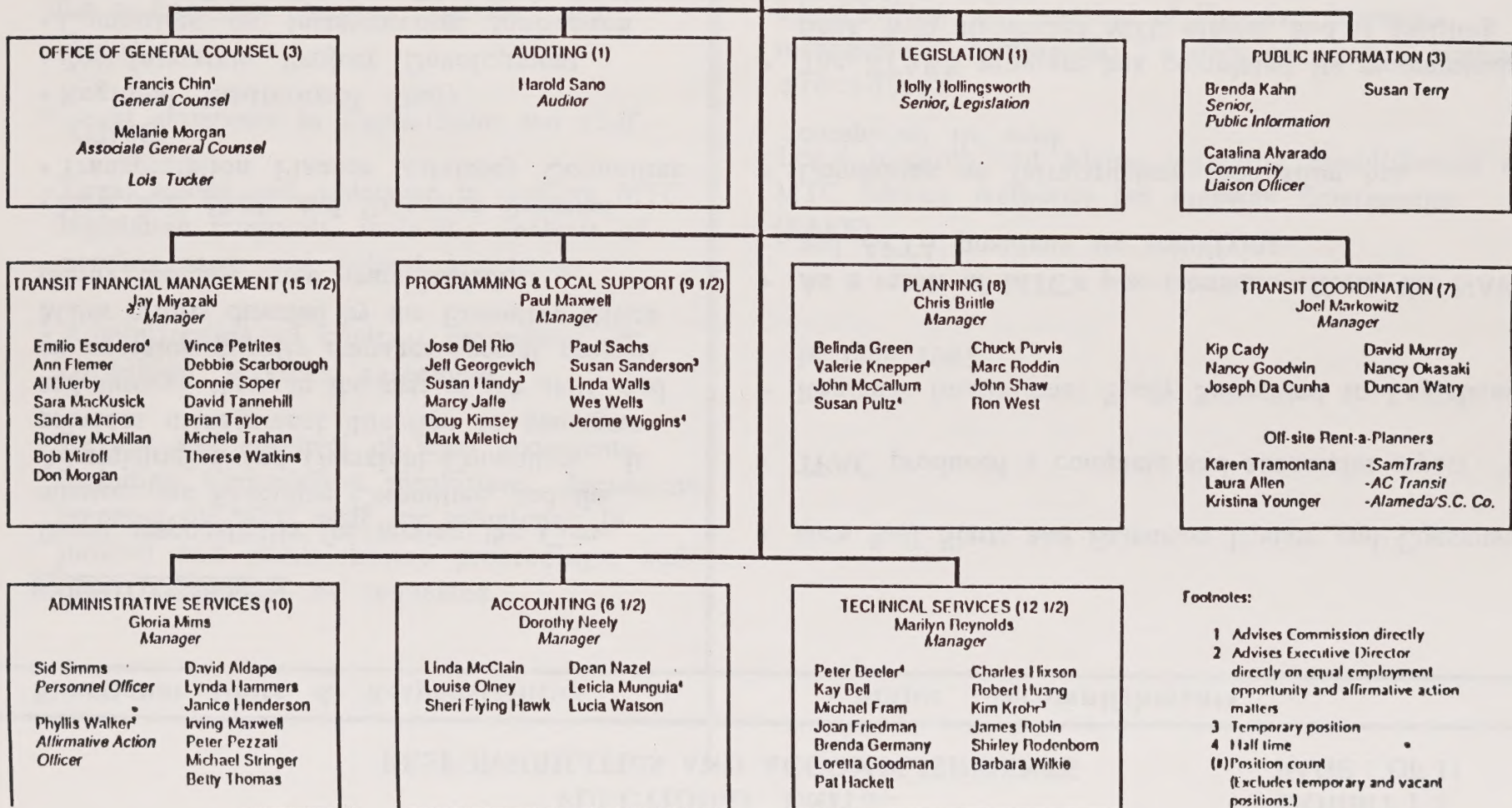
JOSEPH P. BORT METROCENTER
101 EIGHTH STREET
OAKLAND, CA 94607-4700
415/464-7700
FAX: 415/464-7848

EXHIBIT I 1



STAFFING ORGANIZATION SEPTEMBER 12, 1988

Lawrence D. Dahms
Lawrence D. Dahms
Executive Director



Footnotes:

- 1 Advises Commission directly
- 2 Advises Executive Director directly on equal employment opportunity and affirmative action matters
- 3 Temporary position
- 4 Half time
- (#) Position count (excludes temporary and vacant positions.)

FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS

EXHIBIT I-2
PAGE 1 OF 11

Functional Units & Responsibilities

Major Accomplishments

1. EXECUTIVE OFFICE

Direct responsibility for serving the Commission, the Executive Committee, and the Administration and Oversight Committee. It provides management direction to managers and through them to the rest of the staff, and on occasion directly manages special projects. Major efforts directed by the Executive Office during the last three years include:

- New Rail Starts and Extension Program
- Transportation Finance Advisory Committee (TFAC)
- Regional Institutional Study
- Post-Interstate Project Development
- Committee on Infrastructure Innovation
- Strategic Transportation Research Study (STARS)
- Section 15 Committees.

- New Rail Starts and Extension Update and Consensus
- TFAC produced a complete and successful report
- Regional Institutional Study Submitted to Legislature in June 1987
- As a result of MTC's post-interstate efforts, the NARC and APTA positions are solidifying
- Committee on Infrastructure Innovation has completed its work
- The STARS program has completed its recommendations, with significant MTC efforts, and is awaiting legislative action
- MTC prepared the UMTA "Section 15" Committee report and submitted same to the Transportation Secretary. MTC also performed the lead role in the APTA "Section 15" Committee, where they completed the APTA proposal (complete with manual, proposed forms) and submitted to UMTA.

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

**EXHIBIT I-2
PAGE 2 OF 11**

Functional Units & Responsibilities

Major Accomplishments

2. LEGAL UNIT

Provides legal support to the Commission and its committees. It advises staff on legal issues affecting MTC pursuant to MTC Resolution Nos. 663 and 664. It represents MTC in litigation and other matters as requested by the Commission or Executive Director. Specific tasks include:

- Legal assistance to Commission and staff
- Legal advice and assistance in drafting MTC legislative proposals, including analysis of pending state and federal legislation
- Administration of contract procedures for consultant services agreement
- Review and approval of legal documents, including Commission resolutions, documents prepared by MTC staff for submission in judicial and administrative proceedings, and other documents as requested.

- Continued successful response to N.J. Cross litigation
- Preparation of SB 878 (Public Utilities Code Section 130000 et seq.)
- Legal review and revision of Executive Director's management memoranda; update of agency contract procedures
- Legal research and advice regarding establishment of MTC Service Authority for Freeway Emergencies (SAFE).

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

**EXHIBIT I-2
PAGE 3 OF 11**

Functional Units & Responsibilities	Major Accomplishments
3. <u>LEGISLATIVE UNIT</u> Supports the Legislation and Public Affairs Committee (LPAC) of the Commission. Major functions include: • To screen, monitor, analyze, propose, and advocate state and federal legislation that affects MTC and its broad responsibilities. • To improve coordination of regional legislative efforts with other regional, state, and federal organizations, including the local legislative network and the Regional Transportation Planning Agencies (RTPAs). This includes maintaining working relationships with Legislative staff and advocates in Sacramento and Washington, D.C. • To inform and make recommendations to MTC committees, transit operators, public works directors, city engineers, other related organizations and the interested public on legislation and legislative issues. • To monitor, analyze, and develop transportation finance proposals, including development of Bridge Toll Reports.	• Successful advocacy of various state and federal legislation, including SB 300, 878, 1560, 1842, 2516, and AB 3695 and AB3, and the Surface Transportation and Uniform Relocation Assistance Act. • Timely review of almost 100 state and federal legislative bills annually. • Timely issuance of the Legislative history and Legislative fact sheets. • Annual reports to Congress and the State Legislature.

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

**EXHIBIT I-2
PAGE 4 OF 11**

Functional Units & Responsibilities	Major Accomplishments
4. <u>PUBLIC INFORMATION UNIT</u> Responsible for informing the public on all significant transportation activities, including MTC's planning, programming, and allocation processes. The specific functions include: • Liaison to the Press • Public Information Publications/Products (i.e. <u>Transactions</u>, <u>Monitor</u>, <u>Annual Reports</u>) • MTC Awards Program • Public Hearings Assistance • Agency Editorial Support • Liaison to the Minority Citizens Advisory Committee (MCAC) • Public Inquiries • Special Events Coordination • Preparation of testimony and position materials for public hearings.	• Preparation of a Regional Transit Video Show • Improvement of <u>Transactions</u> and the <u>MTC Annual Report</u>, and regular, timely production of each. • Ongoing support to MCAC. • Public and legislative testimony on key policy issues, as appropriate.

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

EXHIBIT I-2
PAGE 5 OF 11

Functional Units & Responsibilities

Major Accomplishments

5. PLANNING SECTION

Responsible for annually updating the Regional Transportation Plan and for performing all the technical support work leading to the preparation of the Regional Transportation Improvement Program. Other activities include Airport and Seaport planning, UMTA sponsored alternatives, analysis for new rail projects, and bicycle planning and allocations. Major tasks include:

- Transportation Improvement Program (TIP) Development
- Updating the Regional Transportation Plan (RTP)
- Regional Highway System Development
- Pavement Management System Administration and Implementation
- Establishment of a Service Authority for Freeway Emergencies (SAFE) System
- Environmental Reviews

- Timely submittal of TIP to UMTA and FHWA
- Timely submittal of RIP to the CTC
- Act as lead agency in the region in the development of a RHS
- Enrollment of 30 jurisdictions in the use of PMS, and continuous support for users
- Publication of PMS Computer's Users Guide and training lessons on video tape
- Act as lead agency to form a SAFE in the San Francisco BayArea
- Publication of Traffic Mitigation Reference Guide and dissemination of same
- Conference and workshops on traffic mitigation
- Advocacy of environmental impact mitigation strategies
- Progress made on Fremont-South Bay, I-680/I-580 and Marin-Sonoma 101 studies

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

**EXHIBIT I-2
PAGE 6 OF 11**

Functional Units & Responsibilities	Major Accomplishments
5. <u>PLANNING SECTION (continued)</u> • Traffic Mitigation/Ridesharing Promotion • Fremont-South Bay Alternatives Analysis (AA)/DEIS • Peninsula Mass Transit Study • Corridor Studies Participation (e.g., SF-Marin-Sonoma, I-80, I-680/I-580 Corridor).	• Publication of I-80 Corridor Study final report • Adoption of SCR 74 Study recommendations and formation of a planning level Joint Powers agency for planning the future rail system • Publication of report, <u>High Speed Water Transit for the San Francisco Bay Area.</u>

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

EXHIBIT 1-2
PAGE 7 OF 11

Functional Units & Responsibilities	Major Accomplishments
6. <u>ALLOCATIONS AND ASSISTANCE SECTION</u> Supports the Grant Review and Allocations Committee (GR & AC), Peninsula Transit Alternatives Committee (PENTAP), Regional Transit Productivity Committee (RTCP), Transit Operator Coordinating Council (TOCC), AB 842 Policy Committee, Regional Transit Association (RTA), and the nine county-level Paratransit Coordinating Councils (PCC's). Major areas of responsibility include: • Short-Range Transit Planning • Community Transit Services (i.e., paratransit) • Transit Financial Programming • Transportation Financial Planning • Reporting and Fund Application Manual • Project Review • Transportation Assistance Program • Transit Efficiency and Effectiveness (e.g., Productivity Improvement Program, and Regional Transit Coordination)	• Annual analysis of Short Range Transit Plans and five-year county-wide plans • Introduction of "Rent-an-Analyst" Program--two completed jobs at Muni, two nearly complete at AC Transit, all very successful • Development of Paratransit Vehicle Replacement Program • Development of the Alameda County Paratransit Management Information System • Development of Regional Paratransit Provider Survey • Regular completion of Five-Year Transit Capital Priorities • Refinements in the AB 842 process and transit capital priorities process • Completion of both the APTA and UMTA Section 15 Advisory Committee Projects, submittal of final recommendations and reports • Annual improvement of the Fund Application Manual and MTC Reporting System • Improved efficiency and timely completion of operating assistance fund allocations

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

EXHIBIT I-2
PAGE 8 OF 11

Functional Units & Responsibilities	Major Accomplishments
6. <u>ALLOCATIONS AND ASSISTANCE SECTION</u> (continued) • Evaluation of Activities Designed to Increase Transit Efficiency and Effectiveness • Rent-a-Planner Program • Rent-an-Analyst program.	• Established a special committee for reviewing transit issues in Marin and Sonoma counties. Committee secured a three-year TDA funding agreement between Marin and Sonoma counties • Staff support in the formation of a Joint Powers Agreement for the Livermore-Amador Valley Transit Authority (LAVTA) • Revision to the PIP process and restructuring of RTPC • Introduction of AC/BART Plus Pass • Completion of Interoperator Schedule Coordination Study • Timely submittal of Transit Operator budget analysis • Revisions to Performance Audit Guidelines

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

EXHIBIT I-2
PAGE 9 OF 11

Functional Units & Responsibilities

Major Accomplishments

7. TECHNICAL SERVICES SECTION

Responsible for two primary functions and multiple tasks under each including:

- In-house support in the areas of:
 - Data Management
 - Data Acquisition and Analysis
 - Transportation Modeling
 - Library Operations (also serving the public)
 - Graphic Arts Services
 - Word Processing
- Special Projects in Regional Transit Marketing
 - Regional Transit Connection
 - Regional Transit Information Center Projects
 - Electronic Schedule Display System.

- Development of agency Computer Plan and annual updates
- Implementation of Computer Purchase Program for Employees
- Model Application and travel forecasting for Fremont-South Bay and Pittsburgh-Antioch Alternatives Analysis
- Development of archives, on-line collection database and routing system for periodicals
- Ongoing graphic arts and word processing services
- Evaluation of Regional Transit Connection and extension of program
- Update of the Best of the Bay Area Brochure
- Installations of four Regional Transit information centers at transfer points
- Development, testing, and initial implementation of an Electronic Schedule Display System at two locations.

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

EXHIBIT I-2
PAGE 10 OF 11

Functional Units & Responsibilities	Major Accomplishments
8. <u>ADMINISTRATIVE SERVICES SECTION</u>	
Responsibilities of the Administrative Services Section can be categorized in two broad support functions: 1) general support services for the agency, and 2) building management functions for the common areas of the MetroCenter building. The Regional Administrative Facility Corporation (RAFC) has authority for the common areas in the building shared by MTC, ABAG, and BART. For the most part, the services performed are internal, either to or for MTC or the MetroCenter. However, there are staff interrelationships with transit operators via the Regional Transit Association (RTA) covering areas of mutual concern regarding Disadvantaged Business Enterprise (DBE) activities related to letting of contracts and services, affirmative action, and training, in addition to procurement of goods and services for MTC's operation.	• Completion of a Staff Classification Plan • Adoption of a Three Year Salary and Benefits MOU with MTC Employee Group • Installed a building security system • Adopted a building safety plan • Reduced cost of janitorial contract by 5% in FY88.

**FUNCTIONAL UNITS--
RESPONSIBILITIES AND ACCOMPLISHMENTS**

EXHIBIT I-2
PAGE 11 OF 11

Functional Units & Responsibilities

Major Accomplishments

9. ACCOUNTING SECTION

Maintains and operates MTC's accounting and financial reporting system. Major functions include:

- Financial Management of the day-to-day book-keeping and accounting; preparation of an annual operating budget and record keeping for UMTA Section 8 pass-through projects, including requisitions and reimbursements to projects
- Agency Management of the Overall Work Program (OWP), including budget preparation, and Quarterly Progress Reports
- Transportation Assistance Program administrative duties and financial record keeping for the non-UMTA programs; advice to claimants of allocations and/or disbursements; and maintenance of records of income, apportionments, allocations and cash available for TDA, STA, Toll Bridge Net Revenues, BART tax, etc.

- Publication of monthly fund management summaries
- Continued support of MTC grant activities

- o assess compliance with State TDA regulations and federal funding guidelines
- o evaluate management and work performance
- o determine the focus of the detailed (Phase II) audit.

The detailed audit (Phase II) was intended to objectively assess the MTC's performance in seven program areas, and provide information to help improve performance and effectiveness. Based on the preliminary audit (Phase I) results, the detailed Phase II emphasis areas were: (1) MTC's role in regional consensus-building for transportation issues in the region, and (2) MTC's role in transportation coordination for the region. The programs reviewed in Phase II include:

- o Rail Extension Program
- o Regional Highway System
- o Fare and Service Coordination
- o Regional Information Sharing
- o Productivity Improvement Program
- o Performance Audits
- o Pavement Management System.

The focus of this review is to apply lessons learned from MTC's past performance to new and ongoing projects.

Phase I and Phase II findings were developed based on a thorough document review, management and staff interviews, written and verbal correspondence with sixty external contacts (e.g., transit managers, public works directors, professional association members, state officials, federal government staff, local governmental agencies), and a detailed internal employee survey with fifty respondents. Input from MTC staff and external contacts was greatly expanded from the original plan (i.e., plan to contact 10 to 15 individuals). This was done for two reasons:

- o to gain significant input concerning perceptions of MTC performance
- o to communicate that MTC as an organization is keenly interested in any input which can be provided by its constituents and employees to improve performance.

The internal employee survey is presented in its entirety, including tabulations of responses, in Appendix A to this report. Appendix B to this report presents key points made by participants in the Phase II small group interview sessions. Statements are not verbatim.

The remainder of this report is organized into the following sections:

- o Preliminary Audit Findings and Conclusions - summarizes the Phase I report previously submitted and includes an assessment of: (1) progress to implement prior audit recommendations; (2) compliance with State and federal requirements; and (3) management and work performance.
- o Regional Impacts: Program Evaluation - discusses each of the seven MTC programs reviewed in Phase II including relevant program background and implied goals and objectives. Comments from the conduct of small group interview sessions with MTC staff and management, as well as external agencies are presented along with our conclusions for each program.
- o Conclusions and Opportunities - summarizes our findings and conclusions made elsewhere in this report. Opportunities for improvement are also summarized.
- o Appendices - present the results of the internal employee survey, and key points raised by participants in the small group interview sessions. Comments are organized by group and by topic.

II. PRELIMINARY AUDIT FINDINGS AND CONCLUSIONS

II. PRELIMINARY AUDIT FINDINGS AND CONCLUSIONS

The Phase I analysis comprised a brief review of MTC's organization, responsibilities, activities and performance. The overview included examination of written documents, management and staff interviews, a written survey submitted to all MTC employees (fifty were completed and returned), and contact with more than forty individuals working for external entities involved with MTC (written and telephone contact). The initial analysis assessed MTC performance in five key areas: status of prior audit recommendations, compliance with legal and administrative mandates, work performance, management performance, and impact on regional transportation. The initial performance audit phase is intended to provide a summary level analysis of each functional area, and to focus the detailed audit phase (i.e., Phase II) on issues of greatest concern and potential benefit to the MTC and the region.

Phase I performance analysis and results are organized into five functional areas:

- o Status of Prior Audit Recommendations
- o Compliance Issues
- o Work Performance
- o Management Performance
- o Regional Impact.

A significant Phase I conclusion is that overall positive performance and specific improvements were noted in each of these areas over the period FY85 to FY88.

STATUS OF PRIOR AUDIT PERFORMANCE

The Booz, Allen Team's examination of MTC's performance relative to prior audit recommendations concludes that the MTC has taken sufficient actions to fully implement each of the recommendations made in the FY85 Performance Audit. Efforts to act on these recommendations have been highly commendable and have contributed to improvements in MTC's operations and performance results.

A synopsis of these recommendations along with the MTC's subsequent actions are presented in Exhibit II-1.

COMPLIANCE ISSUES

Compliance refers to the extent to which the MTC effectively accomplished the tasks it is required to perform by State legislative mandate and federal funding guidelines. In the Phase I analysis, the Booz, Allen Team found:

STATUS OF PRIOR AUDIT PERFORMANCE

EXHIBIT II-1

PAGE 1 OF 5

Recommendations

MTC Actions / Current Status

1. COMPLIANCE WITH TDA REQUIREMENTS

Establish stronger procedures to monitor transit claimant's submission of fiscal audit reports by:

- expanding log sheets for tracking of "date received" and "extension requested/granted"
- ensuring that audits have been submitted before disbursement of TDA funds.

Accounting maintains a more detailed log as recommended and monitors disbursement authorizations to ensure that additional disbursements are not made until delinquent audits are received.

2. FUND ALLOCATION PROCEDURES FOR TRANSIT OPERATIONS

Continue advocacy efforts with the State and federal legislatures to ensure that existing transportation funding programs are maintained and new funding sources developed.

Advocacy efforts at the State Legislature included:

- successful support of 16 state bills (three in FY85, six in FY86 and seven in FY87)
- review of Contra Costa and San Mateo transportation plans prior to the sales tax increase for transportation projects in those counties.

The MTC is currently assisting Solano County to develop an expenditure plan for transportation projects.

Recommendations	MTC Actions / Current Status
2. <u>FUND ALLOCATION PROCEDURES FOR TRANSIT OPERATIONS</u> (continued).	Advocacy efforts at the Federal level included: • support of a five-year highway and transit reauthorization bill which included language for continued funding of rail modernization and new start projects, as well as highway demonstration projects • successful efforts to retain operating assistance • help to secure Section 3 discretionary grants for six projects • successful efforts to obtain a "letter of credit" or "full funding contract" for three projects.
3. <u>TRANSIT OPERATOR INFORMATION REPORTING REQUIREMENTS</u> Continue to work with the RTA and others to reduce transit operators' reporting requirements and annually update MTC Fund Application Manual to incorporate any changes in reporting requirements.	The MTC has continued to work with transit operators and others to reduce and simplify reporting requirements including: • the conduct of committees, subcommittees, and workshops • development of computerized data sheets for expeditious evaluation of capital priorities and a condensed version of annual reporting requirements for small operators

Recommendations**MTC Actions / Current Status****3. TRANSIT OPERATOR INFORMATION REPORTING REQUIREMENTS (continued)**

- performed lead role in the Umta and APTA Section 15 Committees
- annual update of MTC Fund Application Manual to incorporate changes in reporting requirements.

4. STAFF TRAINING AND DEVELOPMENT PROGRAM

Continue training and development program, counsel employees on training skills that facilitate career advancement, and implement career ladder policy.

The MTC has continued and improved its training and development program which now includes:

- an employee development plan which allows supervisors and employees to mutually discuss training needs and objectives on an annual basis
- group training sessions with staff evaluations to provide feedback to the training officer on the quality and relevancy of courses
- the Position Classification Policy which provides career ladder opportunities
- the "Rent-An-Analyst" program which provides employees an opportunity to work on specific projects at transit agencies (MTC employees gain transit operations experience while transit agencies receive technical assistance).

Recommendations	MTC Actions / Current Status
5. <u>PLANNING AND MANAGEMENT OF INFORMATION SYSTEMS</u> - Decentralize the use of personal computers within the agency to allow staff in other sections better access. . - Provide additional computer training to staff performing duties with potential computer applications. - Standardize the purchase and use of personal computers and software to facilitate training and improve the sharing of information. - Improve the protection and security storage media (diskettes) by establishing policies.	- The use of personal computers has been decentralized. PCs have been moved to the desks of staff in other sections with several available for shared use in the computer room. - Additional training, both formal and informal has been provided and is ongoing as required. Interest-free loans for computer purchases provided by the MTC Employee Purchase Program have resulted in increased computer expertise due to ownership. - Technical Service staff have begun implementation of a policy to support MS-DOS machines and Macintoshes resulting in standardization primarily within sections. - Responsibility for security of storage media is decentralized and resides with project managers/ group leaders. The computer room supervisor makes storage space available for such media (diskettes) and maintains original software for re-installation in the event of disk problems. There is no data security plan, and no formalized efforts to secure potentially sensitive data. Some additional centralized efforts might be considered.

Recommendations**MTC Actions / Current Status****5. PLANNING AND MANAGEMENT OF INFORMATION SYSTEMS (continued)**

- Submit systematic reviews and implementation plans for potential automated information system applications.

- An MTC Computer committee has been formed to recommend potential automated information system applications for inclusion in the Computer Plan and annual capital budget purchase cycle. The MTC approach to computer planning appears quite decentralized, with little strategic organization. Given the significant extent of computer use (a result of effective programs initiated and administered by MTC), a more centralized approach to computer needs analysis and planning appears warranted.

- o the MTC to be in compliance with all relevant laws and regulations established for transportation planning agencies by the State of California in the Transportation Development Act (TDA)
- o the MTC is generally in compliance with federal funding guidelines. While these are not legislatively mandated, they contribute significantly to the timely and continued flow of federal funds.

Specific compliance requirements and MTC actions are presented in Exhibit II-2 and Exhibit II-3. Because the MTC complies with legislative requirements, additional analysis was not warranted in Phase II.

WORK PERFORMANCE

Work performance refers to the timely and effective completion of tasks committed to by the MTC (i.e., legislatively mandated activities, as well as programs initiated by the MTC). In Phase I, the Booz, Allen Team concluded that the MTC generally conducts its work in an effective and efficient manner. This conclusion is based on:

- o A review of MTC documents, reports, and briefings which are clear, concise, and reveal a high technical calibre of work
- o The fact that staff has experienced almost no growth over the audit period, yet has taken on additional responsibilities in the region and become more involved in basic responsibilities without negatively impacting performance
- o A review of Overall Work Program quarterly progress reports submitted to UMTA indicate completion of projects within budget and on schedule (schedule slippage has occurred in some instances, but appears reasonable)
- o Contacts with external agencies who cited various examples of MTC's ability to effectively complete special projects and administer claims and requests in a timely and professional manner
- o Interviews with MTC managers and staff focused on work conduct and completion efforts.

The review concluded that work performance is conducted in an efficient manner and, hence, does not warrant additional evaluation in Phase II.

REVIEW OF THE MTC COMPLIANCE
WITH STATE REQUIREMENTS

EXHIBIT II-2
Page 1 of 3

COMPLIANCE REQUIREMENTS	REFERENCE	MTC's COMPLIANCE EFFORTS
1. Each transportation planning agency shall annually identify, analyze and recommend potential productivity improvements which could lower operating costs. • A committee for the purpose of providing advice on productivity improvements shall be formed. • The responsible entity shall review and evaluate the efforts made by the operator to implement such recommended improvements.	Public Utilities Code, Section 99244 Public Utilities Code, Section 99244 Public Utilities Code, Section 99244	Until FY86, MTC reviewed operators' program proposals and made recommendations. Operators then reported progress against their own initiatives. In FY86, MTC changed the process, requiring that multiple operators focus on resolving common problems together (e.g., absenteeism, marketing, fare coordination, schedule coordination, privatization). MTC has established a Regional Transit Productivity Committee (RTPC) to provide advice on productivity improvements. MTC evaluates operators' progress reports and advises the RTPC. The RTPC makes recommendations relative to TDA applications, to the Commission.
2. Each transportation planning agency shall ensure that all claimants to whom it directs the allocation of TDA funds shall submit an annual certified fiscal audit.	Public Utilities Code, Sections 99244, 6664	MTC collects, maintains and controls the submission of fiscal audit reports by its claimants and reviews the reports for compliance. Since the previous performance audit, MTC has stepped up its monitoring of fiscal reports and has improved their timely receipts from operators.
3. A transportation planning agency shall designate entities to make a performance audit of its activities.	Public Utilities Code, Section 99246	MTC contracts for a triennial performance audit of its activities, as evinced by this audit.
4. No monies may be allocated to an operator whose claim includes funds for an increase in operating budget in excess of 15 percent above the preceding year unless the claim is accompanied by substantiating information.	Public Utilities Code, Section 99266	MTC monitors claimants' operating budgets and requests supporting documents when necessary. MTC has implemented a rigorous budget analysis program which evaluates planned expenditures before they are made.
5. The transportation planning agency shall submit rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and non urbanized areas.	Public Utilities Code, Sections 99270, 99270.1, and 99270.2	MTC had adopted a resolution which specifies rules and regulations regarding revenue ratios for operators providing transportation services.

COMPLIANCE REQUIREMENTS

REFERENCE

MTC's COMPLIANCE EFFORTS

6. The transportation planning agency shall adopt criteria, rules, and regulations for the evaluation of claims filed under Article 4 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	Public Utilities Code, Section 99275.5	MTC has adopted a resolution which specifies the criteria to be used for the evaluation of claims filed under Article 4, and the determination of the cost effectiveness of the proposed community transit services.
7. Where there are two or more operators within its area of jurisdiction, the transportation planning agency shall adopt rules and regulations to provide for transfers between the public transportation services of the operators so that such services will be coordinated.	Public Utilities Code, Section 99202.5	The MTC has gone above and beyond the minimum requirements to facilitate transfers between operators. Substantial study was given to fare and schedule coordination between Bay Area operators. Results include the Peninsula Pass, BART-MUNI pass, and AC Transit-BART ticket.
8. The amount received by each transportation planning agency for state assistance shall be allocated to the operators in the area of its jurisdiction.	Public Utilities Code, Section 99314.3	MTC allocates the state transit assistance funding to the operators in its jurisdiction based upon current allocation requirements.
9. It is the intent of the Legislature that, in allocating state transit assistance funds, transportation planning agencies give priority consideration to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high-priority regional public transportation needs.	Public Utilities Code, Section 99314.3(d)	SB 620 was established to fund this TDA requirement. SB 620 expired June 1984 and was replaced by AB 2551 which sets up a formula to ensure distribution which meets this requirement. MTC follows this formula.
10. The transportation planning agency shall adopt rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.	Public Utilities Code, Section 99401	MTC has published a Fund Application Manual which delineates the rules, regulations and procedures for submission of these types of claims. This manual is updated, and simplified, annually. Other agency staff have complimented MTC's efforts in the area.
11. The transportation planning agency shall allocate funds only in accordance with a finding that the expenditures are in conformance with the Regional Transportation Plan.	California Administrative Code, Section 6651	MTC has developed a claim review checklist to ensure that proposed expenditures are in compliance with the Regional Transit Plan. This checklist is also a part of MTC's Fund Application Manual and has been cited as being effective by external agencies in this audit.

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|---|---|--|
| <p>12. The transportation planning agency shall convey allocation instructions to the county auditor by written memorandum at least once annually and prior to the beginning of the fiscal year for each operator and transit service claimant which has filed an annual claim.</p> | <p>California
Administrative
Code, Section
6659</p> | <p>MTC conveys a copy of its TDA allocation instructions to the county auditor annually prior to the beginning of the fiscal year, and reinitiates contact should status change.</p> |
| <p>13. No allocation shall be made to any claimant that is delinquent in its submission of a fiscal and compliance audit report.</p> | <p>California
Administrative
Code, Section
6664</p> | <p>MTC has withheld the distribution of funds to those claimants who have not submitted a fiscal and compliance audit report. There is adequate documentation demonstrating more rigorous adherence to this procedure over the past 3 years.</p> |

REVIEW OF THE MTC COMPLIANCE WITH
FEDERAL FUNDING GUIDELINES

EXHIBIT II-3
PAGE 1 OF 2

FUNDING GUIDELINES

MTC's COMPLIANCE EFFORTS

1. Disadvantaged/Women-Owned Business
Enterprise (D/WBE) Goals

MTC has generally exceeded WBE objectives over the audit period, while generally falling short of DBE targets. D/WBE targets are proposed by MTC and approved by UMTA. In the case of each shortfall, the D/WBE utilization achieved was deemed acceptable by UMTA.

2. Financial Audits Compliance

MTC's independent financial auditors have found the MTC to be fully in compliance with financial reporting requirements in each of the fiscal years now under review (FY85, FY86, FY87).

3. FHWA Indirect Cost Allocation Plan

MTC, at the time of this audit, had not yet submitted its FY87 and FY88 indirect cost allocation plans--both of which are overdue. MTC staff are cognizant of this omission and were already initiating steps to complete the plan before performance audit interviews. MTC should receive the full amount of funding withheld due to this (about \$800,000) when a satisfactory plan is submitted.

REVIEW OF THE MTC COMPLIANCE WITH
FEDERAL FUNDING GUIDELINES

EXHIBIT II-3
PAGE 2 OF 2

FUNDING GUIDELINES

MTC's COMPLIANCE EFFORTS

4. Timely Grant Close-Out

While the MTC is initiating steps to speed up grant processing, deployment and closure, it still routinely exceeds UMTA's stated desire for shorter closure periods. While UMTA is advocating a two year policy (Section 8), MTC typically required four to five years to completely close a grant (as do many other grant recipients). This is not a compliance issue persay, but is of importance to MTC and UMTA. It is important to note that MTC established a specific schedule and is keeping to it.

MANAGEMENT PERFORMANCE

Management performance refers to MTC's effectiveness in planning, allocating, and deploying resources in a manner supporting goal achievement. In Phase I, the Booz, Allen Team concluded that the MTC generally manages its resources (i.e., staffing, equipment, and facilities) in an effective manner to complete desired programs on time and within budget. This conclusion is based on:

- o Interviews with MTC managers who indicated that resources are sufficient for current activities (although additional activities could be conducted if new resources were available)
- o The relatively high employee tenure (i.e., average of eight years) which indicates that employees want to maintain long professional relationships with the MTC reflective of good labor resource management
- o MTC management's ability to address training deficiencies and concerns indicated in the prior performance audit
- o MTC management's ability to measurably improve the deployment and availability of computer equipment while standardizing hardware and software types, and securing data bases
- o Contacts with staff and management who indicated satisfaction with MTC's facility management, which is especially favorable in light of management's ability to reduce janitorial costs by five percent over the audit period.

Although the Booz, Allen Team concluded that management performance was generally positive, there are two concerns which surfaced in the Phase I review which warrant comment:

- o Internal communication of MTC goals objectives, and mission - Not all levels of staff understood the MTC's goals and objectives despite weekly manager meetings and Commission agenda reviews. This concern was raised primarily by support staff and may not be an issue considering that these employees demonstrated a solid understanding of their own job and its importance.
- o Upward mobility - A number of employees believe that there is limited upward mobility. This is primarily due to low turnover rates (e.g., the average staff member has been at MTC for eight years). This same point has a positive bearing on MTC -- employees want

to maintain a long, professional relationship with the Commission. MTC has already taken steps to address this concern, demonstrated by the recent creation of two new management positions to afford greater upward mobility. Management's and the Commission's decisive actions demonstrate a clear interest and intent to be responsive to staff concerns.

REGIONAL IMPACT

Regional impact refers to the extent to which the MTC has impacted the development and performance of the regional transportation system. This performance area, by far, was indicated as the area of greatest interest in external contacts, management interviews and the internal survey. Most individuals cited both positive performance and improvement opportunities, and thought substantial benefit might be derived from further investigation of these issues. While the Phase I audit addressed broad performance in this area, several specific programs were identified for potential Phase II investigation:

- o **Pavement Management System (PMS)** - The MTC's role in developing and implementing the PMS in over 30 Bay Area local jurisdictions. This area merits further examination as a means to identify the inherent critical success factors and their potential role in other similar programs (i.e., how can MTC replicate this success elsewhere?).
- o **Rail Extension Program** - This program also met or surpassed Bay Area expectations, with Bay Area counties cooperating to make this program a success. This program also merits further investigation in order to determine what factors contributed to its success and how the MTC might capitalize on this for future Bay Area benefit.
- o **Regional Highway System (RHS)** - In contrast to the previous two programs, the RHS doesn't appear to have had much regional impact to date -- it is in the early stages of development. Immediate examination and assessment should yield potential improvements which can be implemented to yield benefits to the MTC and the region.
- o **Performance audit and performance improvement program** - These programs received mixed reviews spanning the gamut of high praise to low meaningful impacts. Further research on these issues could yield immediate benefits, particularly due to the upcoming round of transit performance audits and recent transit financial solvency problems in the region.

These programs were reviewed in the detailed audit, the results of which follow in the next report section.

III. REGIONAL IMPACTS: PROGRAM EVALUATION

III. PROGRAM EVALUATION

The detailed audit Phase II focused on MTC's effectiveness in impacting regional transportation. The most useful approach to assessing MTC's performance in this area was deemed to entail an analysis of several specific programs occurring over the audit period. Based on specific findings from these programs, the Booz, Allen Team examined common themes occurring across the programs to assess broader performance. This report section evaluates seven MTC programs:

- o Rail Extension Program
- o Regional Highway System
- o Fare and Service Coordination
- o Regional Information Sharing
- o Productivity Improvement Program
- o Performance Audits
- o Pavement Management System.

The evaluation of each program includes relevant program background; implied goals and objectives; comments from the conduct of small group interview sessions with MTC staff, management, and external agencies; and the audit team's analysis of each program. A broader assessment of performance across these programs is provided in the next report section.

RAIL EXTENSION PROGRAM

In February 1984, the MTC inaugurated a plan for an 86 mile, \$2.8 billion program of new rail transit starts and extensions for the nine-county Bay Area region. The regional plan specifies a program for rail development, realistically recognizing the need for local revenue generation. The structure of transit financing, and focus on local funding, results in considerable independence in determining which projects to undertake and how funds are to be used.

In the Spring of 1988, the MTC adopted revisions to the existing New Rail Starts and Extensions Program (1984) which represents a landmark success in regional consensus-building among the transit agencies and local governments for financing major rail transit improvements. The projects include BART extensions in the established BART district, BART projects outside the district, CalTrain improvements, SCCTA and Muni rail initiatives, and planning studies to refine additional elements of the program. For more than a the uncompleted rail projects have been somewhat contentious for the transit, city, county, State and federal officials involved. The contentious items focus on finding money to finance the projects and settling the issue of the "buy-in" for BART projects outside the BART district.

In essence, the local elected officials agreed on how the

list of rail projects would be configured and financed. The agreement detailed the amounts of money which would come from local sources and the amounts contemplated from the State and federal government. The "buy-in" issue was partially resolved by San Mateo County agreeing to contribute \$200 million for East Bay BART extensions and \$148 million for a portion of the BART extension to the San Francisco airport.

The pact reached by the MTC for the rail extension program is important for at least two reasons. The first is that it paves the way for construction of vital rail links which have been contemplated for many years. The second reason is that it offers a successful example of regional consensus-building which may have ramifications for other major issues to be faced by the MTC the and the Bay Area in the years to come.

External agencies viewed MTC's performance and the regional significance of the rail program in a positive light. The rail program is seen as an excellent example of political consensus-building where individual commissioners played a lead role in facilitating an agreement between jurisdictions. Regional coordination was a particular success given the large role local funding is expected to play in the projects overall.

The consensus is that six factors made the rail pact possible:

- o The problem was significant. There was a general acknowledgement that something had to be done relative to Bay Area rail improvements.
- o There was a willingness to devote local funds for rail projects. The counties involved now had local funds through local sales tax initiatives, and could for the first time "bring something to the table." Heretofore, the parties had to skirmish over limited allocations and grants from UMTA, the State, and MTC, since these were the only sources for capital projects. Some counties now have an independent source of money to put into the process, and that money provides the leverage for favorable consideration of their projects.
- o There was a fear of losing the ability to effectively compete for federal and State money. The contentious nature of the stalemate over prioritizing and funding the rail program placed potential State and federal funds in jeopardy. The Bay Area needed to adopt a regional rail plan to be eligible for project-specific funding consideration.

- o A few key people could sit down and work together effectively. The agreement was generated by individual members of the Commission and MTC executives meeting formally and informally to develop the agreement. The genesis of the agreement was not driven by MTC staff, but driven by individual Commissioners and MTC management.
- o MTC staff were politically sensitive. Persons in the small group interviews who were familiar with the development of the rail agreement, believe that MTC staff who worked with the Commissioners, were politically sensitive.
- o The State (CTC) was brought into the process early. The California Transportation Commission, expected to contribute more than \$200 million for BART extensions over the coming years, is one of the key players in the agreement. The CTC explained that they are often informed of pending local projects after the decisions have been made, when they are not able to make long term commitments. In this case, however, the MTC sought the CTC's assistance before any firm deals were struck.

While external agencies see the rail program as a major success, concerns were raised. One concern is that Section 3 and Section 9 federal funds were pledged for rail projects which could have a future negative impact on bus operators. Bus operators should be advised of possible negative repercussions. While existing toll revenues are reserved for current and future capital needs of the existing transportation system, new toll revenues were pledged for rail extensions. The perception on the part of some external agencies is that the MTC is a rail advocacy agency rather than regional transportation planning agency.

The opportunity for reaching a political consensus regarding rail facilities was there. The MTC played the role of facilitator in seizing this opportunity. Failure to adopt a regional rail extensions plan would have inhibited the Bay Area's ability to effectively compete for discretionary federal funds. The conditions for the rail extension agreement were in many ways unique and may not be replicable for other situations. The first is that many important issues or problems may not be "bad enough" to garner the kind of support that enabled the MTC Commission to build consensus. For example, the Regional Highway System program, though important, has not been perceived as critical and needing immediate attention. While traffic is a high priority concern, no immediate funding crises or opportunity is involved.

One key to success is that local funds were available and committed, which lessened the sharp competition for federal and State funds. Willingness to use local funds is an expression of

local priorities. The down side to this is that the MTC is responsible for securing federal funds for projects which may not meet UMTA requirements for discretionary funding. Securing discretionary State funds may be less of a problem because the CTC was brought into the process early on.

Although the rail pact is a success, there are two issues which need to be addressed immediately. The first issue involves MTC staff morale. MTC staff were only peripherally involved in this highly visible and important agreement, and do not fully understand what their agency did to garner this success. MTC management should devote the necessary time and effort to communicate to staff the details and processes involved in reaching the rail agreement. We recommend that the top executive convene meetings with the staff and inform them of the details of the negotiations. Management should demonstrate how staff work over the past several years contributed to the agreement (significant staff efforts over several years have culminated in this agreement). MTC staff have raised technical concerns, most of which can be addressed in project-specific alternatives analysis and assessment of financial capacity required for receipt of federal funds.

The second issue to be addressed is bus operator concerns regarding the pledging of future discretionary funds for rail. The MTC should make a special effort to communicate the potential impacts of the rail extension program on bus operators. If there are perceived conflicts, they should be addressed as soon as possible.

Resolution 1876 is the first step in what is normally a lengthy process. There should be ample opportunity as the rail program continues for MTC to further influence decisions by providing technical assistance regarding alternatives, costs and benefits. The ultimate success of the rail program is unknown at this time. The first step, however, reaching an initial consensus, is a huge success.

REGIONAL HIGHWAY SYSTEM

In anticipation of a new federal highway program in 1992 (i.e., the next Surface Transportation Act), the MTC has begun work on identifying a Regional Highway System (RHS) for the Bay Area. It is MTC's hope that the RHS concept could be part of the federal funding focus in the post-interstate era, now that the national interstate system is nearly complete. The strategy is to focus federal dollars on roads of regional travel significance both on and off the freeway system. The RHS is intended to define those roads which could be eligible for funds under a revised federal program, and is the cornerstone of MTC's advocacy efforts for future federal highway funding. Overall, the RHS is in its early stages of development, with recent efforts

focusing on defining the regional network.

MTC's efforts, to date, have focused on three distinct phases of RHS development:

- o **Missionary work.** MTC staff approached public works staff of the counties to discuss post-interstate funding alternatives. No major national interest was backing a position at the time. MTC started this mobilization effort with a predefined end product -- a map specifying routes of regional travel significance.
- o **Refinement.** MTC immediately began the process of refining their initial proposal and filling in details based on interests of the nine Bay Area counties. Counties expressed concern over an MTC role in federal highway funding programs, and over potential impacts on FAU/FAS funded projects. MTC attempted to incorporate and address local concerns.
- o **Brainstorming sessions.** MTC invited city and county public works staff, and funding interests to brainstorming sessions on the RHS. The purpose was to solicit input on the program and attempt to build an informal consensus.

The MTC is currently compiling a revised set of principals guiding development of an RHS for distribution to cities and counties. Nationally, many post-interstate concepts and ideas are being discussed by interest groups and funding agencies. MTC's preliminary ideas on RHS funding are being discussed, as well as other alternatives.

MTC staff perceive their impact on regional highway issues to be indirect, because the MTC does not control highway funding. Some MTC staff define their new highway program mission as "rationalize highway funding after the completion of the interstate system" and develop "local and national consensus on a post-interstate system that does not restrict funding to specific highway categories, but allows funds to flow to important regional and local facilities regardless of their classification." The RHS would serve as the basis for this advocacy position and is therefore very important.

External agencies indicated that the RHS was premature (e.g., no evident need to develop the RHS, FY92 is a long way off) when introduced, and that the MTC went too fast without listening to local concerns or soliciting local input. The RHS is contrasted unfavorably with the Pavement Management System which was implemented with local needs and concerns in mind. External agencies indicate that RHS objectives and processes are not clear. These agencies also felt that the MTC did not

initially address local concerns regarding FAU and FAS funded projects, although the MTC is beginning to listen and react to concerns now. The key issue raised by external agencies was that work on the RHS has no immediate financial benefit. It does not help current capital priorities efforts for CTC funding, or federal FAU and FAP project funding. The influence of the RHS on future federal funding is speculative.

The task of defining a regional network requires the participation of many jurisdictions and agencies with highway implementation responsibilities. The task of defining a regional highway system is difficult because it deals with a future where federal funding programs are as yet undefined. The RHS requires local efforts without any clear enumeration of potential benefits. Significant local efforts are required to receive current FAU/FAS project funding and State funds through the CTC capital priorities process. Local agencies resist the idea of even more planning work, with speculative future benefits being the only benefit.

The MTC, because of its fund advocacy role, is taking a long-term planning approach in this area, which is appropriate. The MTC requires a newly defined RHS, which supports its advocacy position for greater flexibility in the use of future federal highway program funds. Building a consensus which addresses both technical and political concerns requires that all affected parties perceive a need to reach a consensus and act. Because of its advocacy role, MTC perceives a need to act now, whereas other agencies do not perceive such an urgent need. It should be noted, however, that the MTC and external agencies agree that greater flexibility in the future federal highway program is desired.

Expecting the RHS to address all concerns at this early stage of development is probably unrealistic, although concerns will have to be addressed in the future if a consensus is to be achieved. The MTC's implied policy objective at this stage is to increase regional flexibility for programming future federal highway program funds. It represents a new look at area investments in roadways. The objective and concepts behind the RHS need to be clearly conveyed to road interests. Specifics regarding implementation will depend on the RHS being developed and MTC success in advocating funding flexibility. Clarifying goals, objectives, and an understanding of the process is an opportunity, however, that could be acted on now to increase cooperation and consensus in development of the RHS.

Because the RHS is still in the development stages, conclusions regarding program success are not possible. One conclusion that is possible, however, is that the MTC is responsible for advocating federal funding policies and programs that benefit the Bay Area. Initiating the development of the RHS

to justify increased regional flexibility for programming federal highway funds is evidence that the MTC is attempting to fulfill one of its primary functions. In this program area, MTC is forward thinking and ambitious in serving the transportation interests of the Bay Area.

FARE AND SERVICE COORDINATION

One of the mandated functions of MTC is to ensure coordination among the transit operators in the region. MTC has an ongoing program of Transit Coordination Evaluation (TCE) and reports annually on its progress. The Regional Transit Association (RTA) is generally the vehicle through which MTC seeks to implement regional coordination activities. MTC provides staffing for the RTA coordination activities. The coordination program has a set of goals and objectives, with a supporting work program and schedule. The coordination efforts fall into four broad areas: marketing, schedule coordination, fare coordination, and linking service among the operators.

MTC has a policy of seeking the coordination of fares, passes and transfers among the operators. Significant fare coordination activities have involved AC Transit, BART, CalTrain, CCCTA, Muni, SamTrans, and SCCTD. MTC's objective has been (1) to market and enhance the penetration of the Peninsula Pass; (2) to continue development of improved fare coordination among AC Transit, BART, Muni, and their connecting operators; and (3) to evaluate the AC/BART Pass and develop subsequent stages of future joint tickets.

MTC has been astute in determining and implementing its appropriate role in each fare coordination activity. In the case of the Peninsula Pass, the involved operators were highly motivated to coordinate fares. MTC provided technical and analytical support to the operators (i.e., CalTrain, SCCTA, SamTrans, Muni) throughout the coordination process, as needed by the operators. MTC has taken a more proactive role in situations where fare coordination progress has been slower (e.g., BART, AC Transit, CCCTA), as is appropriate. MTC has taken a lead role in these cases, and acts as a problem solver for each technical or policy obstacle that arises. MTC's proactive role has paid off with significant fare coordination progress -- all to the benefit of Bay Area residents.

The MTC also has a service coordination objective to increase the opportunities for regional transit travel through the coordination of services. During the past three years, this has been accomplished by the following:

- o Regional links (e.g., services which do not fall entirely within one operator's jurisdiction):

- explore cost savings measures and service enhancement efforts to increase ridership for the Dunbarton Bridge Link
- evaluate Vallejo-BART Link demonstration project.
- o AC/BART service coordination
- o Completion of the schedule coordination study
- o Timed transfer demonstration project at the Hayward BART station
- o Pleasant Hill/Concord bus feeder service test project.

MTC fare and service coordination programs have been significantly restructured and expanded during the period of time covered by this audit review (i.e., FY85 through FY88). The Transit Coordination Evaluation (TCE) has been in existence since FY79. The initial approach to transit coordination was fragmented in that individual operators were encouraged to coordinate service at designated regional transfer points, although the involvement of several operators in projects of regional significance was not explicitly encouraged. Individual operators made incremental improvements, but major improvements in coordination on a regional level were not realized. Recognizing this deficiency, the TCE process was changed, placing emphasis on a regional implementation plan for coordinated improvements. The accomplishments listed above are the result of TCE program changes and perseverance on the part of MTC and Bay Area operators.

MTC staff and management view facilitating of service coordination among the operators as one of their primary functions. However, MTC realizes that this is one of their great challenges, as attempts at service coordination tend to be viewed suspiciously by the operators. The operators perceive fare policy and route decisions as their exclusive domain. Yet, if the MTC had not become proactive in this area, improvements of regional significance would not likely have been made. Individual operators are not as concerned with interoperator coordination as is MTC, because it appears to affect a small proportion of their individual system patronage.

External agencies believe that it is appropriate for the MTC to assume a proactive role in fare and service coordination matters, as long as the MTC does not intervene in other areas of fare policy or negatively impact farebox revenues. The consensus is that MTC has the pivotal role in inter-operator coordination since the transit operators tend to focus narrowly on their own service in their own service areas. MTC is the logical agency to address regional inter-operator issues, and to champion the cause

of regional service and fare coordination.

The large operators believe that MTC is perhaps too concerned with the issue of fare coordination. They point out that only a small percentage of trips involve more than one operator. In their opinion, the idea of multi-operators passes, especially a universal pass good on all transit lines, is not really worth the effort required (note that MTC has not formally made any proposals regarding a single, universal pass). Operators asked the performance auditors, "How many people really want to go from San Rafael to Santa Clara, or from Berkeley to Petaluma?" The operators do concede that this market could grow in response to fare and service coordination efforts.

The outside agencies and public interest groups are empathetic in expressing the opinion that the MTC has a vital role in inter-operator coordination, especially in fare and transfer policy. These representatives urged even stronger action by the MTC. They tend to support the idea of easy interoperator transfers much more enthusiastically than do the transit operators. All expressed satisfaction with the significant progress MTC has made to date, and encourage continued improvements.

MTC's efforts appear positive in light of other fare coordination efforts in Los Angeles, San Diego and Sacramento. Brief highlights of their efforts include:

- o Los Angeles. The four RTPA's in the greater Los Angeles area (i.e., LACTC, OCTC, SANBAG, RTC) have required all operators receiving TDA funds in their county to honor transfers from other operators receiving TDA funds in their county as a single-trip cash fare equivalent. While substantial services cross county borders, no intercounty transfers have been honored. After two years of negotiations, all four RTPA's require all mass transit transfers to be honored as a base fare, regardless of county of origin. No reimbursement is offered any operator. No joint passes have been adopted, although they have been discussed for years. Service coordination is not the focus of much attention.
- o San Diego. The MTDB issues a single joint pass which allows unlimited travel on any operator's service during the month specified (i.e., only the operators within its jurisdiction). MTDB distributes money from pass sales based on the proportion of regional pass boardings made on each operator's system. Operators are not reimbursed for any perceived loss. MTDB did help get TDA legislation revised to remove farebox recovery requirements from individual operators, to a

single regional rate. MTDB has also worked with operators to develop and implement a regional fare structure with most operators (i.e., the trolley and County Transit System operate outside these fares). Key factors in MTDB's success is the size of their region (i.e., one-half of one county), limited number of operators (i.e., seven) and contiguous service area (all one metropolitan area). MTC, in contrast, has a region encompassing nine counties, more than 16 transit operators, serving an area with multiple major cities and vast land use differences.

- o Sacramento. SACOG has been active in promoting fare and service coordination. Transit operators in Yolo, Placer and Sacramento counties developed transfer policies between operators without coercion. SACOG did champion a joint Yolobus/RT pass, which was not well received by the public (i.e., only fifty sold in two years).

None of these other agencies provides a fair comparison with MTC. However, regardless of MTC's complex operating environment and diverse region, fare coordination efforts compare favorably with other California RTPAs.

In the auditor's opinion, the MTC has done a commendable job to facilitate inter-operator coordination. Direct technical assistance on the part of MTC staff contributes to the timely implementation of coordination programs. MTC has been adept in determining the appropriate level of involvement to encourage progress and improved coordination, and has demonstrated commendable follow-through.

REGIONAL INFORMATION SHARING

Similar to fare and service coordination programs, the Regional Marketing Plan is part of the TCE process and has been significantly expanded during the period covered by this audit. The marketing plan has been successful in eliminating much duplication of effort among the operators, such as garnering support for legislation, sponsorship of general promotions on inter-operator transit opportunities and publication of informational materials. Although the Regional Marketing Plan encompasses many projects, only two were selected for Phase II review because of the direct role played by the MTC in implementing these projects.

The two projects reviewed, referred to as "regional information sharing," include:

- o Regional Transit Information Centers (RTIC) - The RTIC concept grew out of an information display that the MTC installed at the Transbay Terminal in San Francisco in December 1983. This demonstration project led to the decision to install RTICs at 29 major transfer points throughout the Bay Area. The RTIC project has four complete installations with four additional sites scheduled for completion in the Spring of 1988. The remaining 15 regional transfer points should be completed by January 1989.
- o Electronic Schedule Display Systems -- These are monitors which display schedules and departure locations for use by the public at regional transfer points. The system is being coordinated with the RTIC installations inside BART stations and other secure locations. Five stations have already been installed, with eight more planned for the near future. MTC has performed the lead role in this effort, as well.

The MTC staff perception is that these projects are on schedule because of the technical assistance provided in securing capital funds, and direct involvement of MTC staff on a continuing basis. This perception is supported by transit operator comments, and MTC's continued involvement is desired. Transit operators note that MTC staff have performed exceptionally in these areas, and expressed a desire to further expand both programs.

MTC's significant level of involvement in both the Regional Transit Information Centers and the Electronic Schedule Display Systems represent non-traditional roles for an RTPA, but very appropriate ones. In the auditor's opinion, MTC's performance has been effective and efficient. Transit patrons and operators are benefiting from MTC's timely and professional involvement in regional information sharing. Continuation, and expansion of these programs would be of further benefit to the region.

PRODUCTIVITY IMPROVEMENT PROGRAM

The MTC established the Productivity Improvement Program (PIP) in response to a California Transportation Development Act (TDA) requirement that the transportation planning agency (MTC) annually identify, analyze, and recommend potential productivity improvements which could lower operating costs of those operators under its jurisdiction. The Regional Transit Productivity Committee (RTPC) was formed to direct and evaluate the PIP proposed objectives and programs.

Until FY85, each individual operator submitted its own list of productivity projects, which MTC reviewed. MTC would then offer comments and sometimes make recommendations to change the

plan for individual operators. Operators then reported progress against their own plan of improvements. Transit operators openly admit that they submitted programs which required nominal effort and had a very high probability of success. Operators still pursued other, more difficult productivity efforts, but did so outside of the PIP process. The overall assessment of this PIP process by MTC staff, transit operators and external agencies is that it was ineffective, required excessive paperwork and did not bring about intended productivity improvements.

MTC recognized the weaknesses in the existing PIP program, and acted to change the program to address the evident concerns. It should be noted that dissatisfaction with the lack of specific focus and excessive paperwork of the Transit Coordination Evaluation (TCE) was recognized concurrently. In FY86, MTC took decisive action to jointly revise both programs, which resulted in:

- o coordinating the annual evaluation of interoperator coordination and productivity efforts within a single program
- o designating major coordination projects as elements of the Productivity Improvement Program.

This program is cited by operators and MTC as an improvement over the prior program. Paperwork requirements of both programs were reduced, and more specific direction was provided to the region in the areas of coordination and productivity.

Encouraged by the progress made, MTC sought to further improve the PIP and coordination process in FY87. The MTC reinforced the PIP by adopting objectives which put an emphasis on "improvements in productivity which will have significant system wide or regional impacts on efficiency and effectiveness," and "development of and participation in joint productivity projects." Under the revised PIP, five major project areas were designated for continued development and implementation in FY88:

- o operator absenteeism
- o schedule improvement
- o private sector participation
- o regional marketing
- o joint fare mechanisms.

The evolution of the PIP process generated many comments in the performance audit process. MTC staff were dissatisfied with the effectiveness of the initial PIP and, with the support of management and the Commission, changed it. The perception is that the revised program is an improvement, but the PIP is still not very effective. Although the PIP meets the legislative

requirement that the MTC identify and analyze potential productivity improvements, tangible improvements are not apparent. Despite problems with implementation, management and staff view their oversight role as important and necessary. They are willing to further revise the program to achieve more tangible benefits for the region.

Large transit operators expressed the opinion that the PIP is an administrative requirement for funding, which has no significant impact on productivity. The large operators also said that in the future, the MTC should advocate legislative changes to eliminate PIP requirements. If legislative changes are not forthcoming, the large operators believe, the MTC should combine the PIP and with an improved performance audit process. In either case, the large operators expressed the opinion that the MTC should not have a productivity oversight role. Many of the productivity issues cover things which are funded locally and therefore fall outside the realm of MTC oversight.

Small transit operators indicated that the revised PIP process is an improvement because it has fewer reporting requirements, is more focused, and MTC staff give more technical assistance under the revised program. Although the revised process requires less administrative paperwork, small operators still indicate that they don't have sufficient time to contribute to the PIP and that PIP requirements are not proportional to the funding received. While the MTC is right to focus the PIP on broad issues, issues such as absenteeism do not impact operators who contract for service. Overall, small operators expressed the opinion that the PIP should be eliminated. Although the PIP is a good idea in theory, the process does not achieve tangible results.

The PIP is a process which meets legislative requirements and provides transit operators a forum for joint problem identification, brainstorming of possible solutions, and MTC technical support. There appears to be a consensus among MTC staff, small operators, and large operators that while the current process is not particularly effective in gaining tangible productivity improvements, it is an improvement over the prior process. A group approach for identifying and addressing joint productivity issues is better than individual transit operators working independently on similar issues.

Transit operators suggest that the PIP process should be eliminated. In the opinion of the performance auditor, such a proposal is unacceptable. The intent of TDA law requiring productivity improvements is clear. Rather than eliminating the PIP process, MTC should consider further revisions to the PIP which strengthen the program to ensure that productivity improvements are achieved. One way to strengthen the PIP process is to combine it with performance audits, as suggested by transit

operators. Performance audit improvement opportunities, and recommendations could set the framework for the PIP. MTC and operators could jointly agree to specific targets for improvement. Periodic reporting on these productivity improvements would continue, with annual findings made by MTC. Later audits would confirm results.

In future revisions to the PIP, the MTC should consider establishment of a separate subcommittee for small operator productivity issues. The advantage of this is that meetings are more narrowly focused on their problems and could be held less frequently. This approach would help reduce the time spent by small operators, with limited administrative staff, in meetings. Operator performance audits could provide an opportunity for technical assistance in these areas.

PERFORMANCE AUDITS

For the past seven years, MTC has been directing a series of performance audits designed to assess the management actions and impacts of the Bay Area's transit agencies. The methodology, scope, and use of these audits has been evolving during this period. The results of the audit are presented to the MTC and communicated to the respective operators. TDA law requires that performance audits be conducted every three years. At a minimum, audits must indicate a verification of five performance indicators, and review operator economy, efficiency and effectiveness.

Most entities, including MTC staff and the transit operators, found performance audits to be highly productive and useful. Some small operators, however, raised concerns which are worthy of attention, including:

- o small operators indicated a desire to be more involved in determining audit issues
- o they questioned whether some of the firms conducting the audits have sufficient operating expertise to produce audits which are of use to transit operators
- o they suggested that resources allocated for small operator audits are not sufficient for auditors to review audit issues in depth.

Other California RTPA efforts differ from MTC's regarding performance audits, as follows:

- o Los Angeles. LACTC combines performance audits with the PIP. As a result of audits, operators jointly adopt productivity improvement targets with LACTC. While operators are not required to implement the

consultants recommended solution, they must address the problem. LACTC requires each operator both demonstrate specific improvement actions and results to be eligible for the annual increase in TDA amounts. Progress is measured against the targets developed for each year, and consultant verification is sometimes used between triennial audits. LACTC has withheld TDA monies from one operator until the productivity target was met (which happened in the second quarter of the fiscal year in question).

- o **San Diego.** SANDAG and area operators believed performance audits to be unproductive. Triennial audits are conducted to meet minimum legal requirements (e.g., verification of TDA indicators, contract review, statement on objectives) and few resources are expended on audits. No detailed functional analysis is conducted for any operator.
- o **Sacramento.** SACOG uses audits to meet legal requirements and provide problem-solving resources. Each audit meets State requirements, provides an analysis of each functional area, and devotes significant resources to solve a single significant problem (e.g., inventory control, policy board performance reporting, risk management, light rail readiness). Small operator audits are constructed the same as large operator audits -- each focuses some audit resources on a single, explicit problem.

This is provided for informational purposes only. The relative effectiveness of performance audit approaches cannot be adequately assessed within the resources available for this effort.

In the performance auditor's opinion, performance audits are useful. There are opportunities, however, for strengthening and improving the process. One opportunity previously mentioned, is to combine the Productivity Improvement Program and performance audits. This is one way that small operator concerns could be addressed. For example, a small operator PIP subcommittee could identify a list of productivity issues common to a majority of operators. In determining audit issues for review, each small operator would jointly select one productivity issue with MTC, which is significant to their individual operating environment, for performance audit review. This suggestion is based on the supposition that performance audits which address a few significant issues in-depth are more useful to transit operators than audits which give a broad review of many issues. The same process could be used for large operators. Because of the difference in audit resources, however, MTC and the large operator could select several issues for in-depth review.

A second opportunity for increasing the performance audit impact on policy and operations decision-making is for the MTC to require that transit operators inform their respective policy boards of performance audit results. It should be noted that MTC currently intends for audits to be reported to policy boards, but does not take steps to ensure that this is done. One way for MTC staff and transit operators to notify policymakers of audit results is to have the auditors present their findings to policy boards after MTC and operator management approval of the audit report. Policy boards should be made aware of opportunities for improvement, potential problems, and good performance identified in audits.

PAVEMENT MANAGEMENT SYSTEM

In the prior audit period, the MTC explored ways for stretching street and road budgets by making pavement maintenance practices and techniques more cost-effective. A 1982 panel of experts from 15 local jurisdictions in the region came to a consensus that the best way to improve maintenance practices was to develop a pavement management system (PMS) that could be used by Bay Area cities and counties.

Taking this advice, the MTC developed a prototype PMS which would match the needs, resources, and capabilities of local jurisdictions. PMS could also be used by the MTC in support of advocacy efforts to gain more funding for street, road and highway needs. The underlying strategy is to assist local decision makers in better identifying the conditions of local streets and roads, prescribing cost effective treatments, and improving the means by which roadway needs are prioritized.

The last few years has seen over thirty individual local jurisdictions using PMS, with positive results. Towards this end, MTC has provided significant user support (e.g., seminars and video tapes) and follow-through to the local jurisdictions.

MTC staff and managers perceive the PMS to be quite successful in helping local jurisdictions improve their capabilities to manage their pavement conditions. PMS is a good example of how the technical expertise and skills of MTC staff can be effectively utilized in a non-traditional, but highly appropriate, support role.

External agencies (i.e., cities and counties) agreed with the MTC internal perception regarding the success and effectiveness of PMS. External agencies also felt that the PMS information regarding needs helped with local sales tax initiatives. The PMS program also helps agencies to target limited dollars to areas of greatest need. The external agencies seemed to agree on specific MTC actions and other circumstance which led to the success of this program, including:

- o the condition of local streets and roads was clear evidence of a need for improvement and action
- o MTC had the technical expertise and devoted the time to local jurisdictions to help resolve the problem -- the technical assistance is continuous and tailored to individual needs and circumstances
- o MTC took the non-traditional approach of providing technical assistance to local jurisdictions on a one-on-one basis, helping local jurisdictions meet one of their responsibilities
- o PMS is practical -- it does not require additional skills, staff, or resources
- o PMS results are tangible.

External agencies expressed the view, and some MTC staff agreed, that the MTC does not have a regional responsibility for, or significant influence on, local streets and roads because the MTC does not control the funding. Given this perception, the "one-on-one" technical assistance approach is perhaps the key to this program's success.

A less obvious aspect, but just as important, was the perception on the part of local agencies that a problem existed and action was required. Without this perception of "a need to act" it is doubtful if the program would have been as favorably received. Finally, the technical solution developed by the MTC was based on input from those who would use the system. The complexity of using PMS matched local resources and technical capabilities. Local jurisdictions identified a need, the MTC listened and took appropriate action.

In the auditor's opinion, MTC's performance is exemplary in this program. While MTC does not control local streets and roads funding, particularly funding for maintenance and repair, the Commission does have responsibility for solving regional transportation problems. MTC recognized a key problem in pavement maintenance management common to all cities and counties, and acted to address it. As a result, MTC has gained the trust of local jurisdictions with roadway responsibilities, and has gained influence with them without the use of fiscal controls.

* * * * *

This report section contains a synthesis of MTC staff, transit operators, public works and other external entity representatives' comments made during the audit. The results of

an MTC staff questionnaire is included as Appendix A, and comments from small group interviews conducted for the audit are included as Appendix B to this report. These appendices include paraphrases of specific comments, and should be reviewed with the understanding that each comment represents a specific point of view and may not reflect a balanced perspective.

IV. CONCLUSIONS AND OPPORTUNITIES

IV. CONCLUSIONS AND OPPORTUNITIES

The FY88 Performance Audit of the MTC relied on a rigorous review of governing laws and regulations, MTC documents, agency procedures and processes, internal and external reports, and actual operating results to assess overall agency performance. This audit provided a forum for extensive input from Bay Area transportation interests:

- o detailed questionnaires were provided all MTC staff and management; fifty were completed and returned
- o an additional 25 MTC managers and staff were interviewed during the performance audit
- o more than sixty individuals associated with transit operators, public works organizations, public interest groups, State and federal agencies, regional organizations and other Bay Area transportation interests were contacted by letter, telephone and small group interview.

This rigorous audit process has culminated in a series of findings, conclusions and recommendations which are summarized in this report section. The statements included here reflect the professional opinion of the Booz, Allen Team.

Performance audit conclusions are presented in six sections:

- o funding responsibilities
- o oversight role
- o coordination and consensus-building
- o technical assistance
- o internal management issues
- o performance audit recommendations.

FUNDING RESPONSIBILITIES

MTC funding responsibilities fall into three categories:

- o programming of regional, State, and federal transit and highway funds
- o allocating and administering regional and State transit funds
- o advocating discretionary State and federal funds for transit and highway projects.

MTC is designated by the State and federal governments as the Regional Transportation Planning Agency (RTPA) and Metropolitan Planning Organization (MPO) for the Bay Area. This designation makes MTC responsible for programming transportation

funds to implement regional transportation plans. MTC meets this responsibility for programming transportation funds when it adopts the Transportation Improvement Program (TIP) for submission to UMTA for transit project funding, and to the California Transportation Commission and FHWA for highway project funding.

Programming of funds is a necessary step in transportation funding. MTC's performance in programming funds is professional and timely. MTC staff assistance and the Fund Manual prepared by MTC are both responsive to operator needs, and helpful.

MTC's ability to impact regional transportation issues through the programming of funds is limited by State, and to a certain extent, federal requirements that specify a return to source. An example of this is that State Transportation Development Act (TDA) funds, must be programmed for activities in the county where the tax was collected. No TDA monies can cross county lines. Operators have indicated that it would be beneficial if MTC had a pool of discretionary monies for incentive purposes.

MTC's ability to influence regional transportation is also limited by the degree to which MTC is responsible for allocating transportation funds. MTC is responsible for allocating (e.g., final funding approval involving a claim, grant, contract, or memorandum of understanding) State Transit Assistance (STA), Local Transit Assistance (TDA), and regional (AB 664 and AB 1107) funds. These funds are used primarily for transit. Federal and State funds for highways are allocated by the California Transportation Commission, and UMTA allocates federal transit funds to operators. Because final funding approval or responsibility for "allocating" most of these funds is not the MTC's responsibility, MTC activities focus on advocating project funding from State and federal sources. MTC does perform a significant role in allocated Section 9 monies.

External agencies expressed the opinion that MTC's performance is efficient and professional when carrying out its allocation responsibility for TDA and STA funds. In the auditor's opinion, MTC is in full compliance with State regulations for allocating and administering State funds (TDA and STA).

MTC has also assumed fund advocacy responsibility. This is significant because, unlike the other two funding responsibilities, fund advocacy is not mandated by law, and is voluntary. In funding advocacy roles, MTC was given laudatory reviews by external agencies. The responsibility for advocating State and federal funds, which MTC has assumed on behalf of the region, is significant for future transportation project funding. In the past, MTC has exercised this responsibility well, and

regional agencies believe MTC has gained the Bay Area more than its fair share of available funds.

Fund advocacy involves not only lobbying for State and federal funding approval, but providing technical assistance and coordination of project justifications and grant applications to facilitate expeditious funding approval as well. MTC has provided excellent operator fund application assistance through publication of its funding manual and technical support supplied to all fund applicants. Transit operators have noted the manual to be a big help and have indicated that MTC staff provide sound funding expertise.

Overall, MTC's performance of funding responsibilities is exemplary. MTC complies with State laws and mandates, federal guidelines and regional requirements. MTC provides sound and timely technical support in funding efforts. Performance has improved relative to the prior performance audit period. The auditor's review uncovered only two minor areas which warrant further future consideration by MTC:

- o Prepare and submit FHWA indirect cost allocation plans on time. MTC's last two submittals have been submitted significantly late. MTC's eligible indirect costs are not reimbursed until a satisfactory plan is submitted.
- o Attempt to accelerate UMTA grant close-out. While not a legal requirement, UMTA is urging faster grant closure by all fund recipients. MTC is by no means a poor performer here, but should continue to focus attention on accelerating project completion and grant close-out. MTC has adopted a plan for accelerating project completion and grant close-out, and should implement it.

OVERSIGHT ROLE

MTC oversight responsibilities are primarily mandated by State TDA law and focus on transit operations rather than highways. Some oversight responsibility relating to short range transit plans are delegated to the MTC by the federal government as well.

MTC carries out its oversight responsibilities through two formal means: reporting requirements, and special programs such as:

- o Productivity Improvement Program (PIP)
- o Performance Audits

- o Transit Coordination Evaluation (e.g., fare and service coordination and regional information sharing).

The MTC takes its oversight responsibilities seriously. The oversight role is seen as both important and necessary. This opinion is shared by public interest groups and MTC staff. Transit operators, however, are skeptical, and even unsupportive of MTC's oversight role for a variety of reasons, including:

- o reporting requirements and processes associated with oversight functions entail too much "paperwork" (i.e., generic term used by operators when referring to report writing, meetings, committee assignments, and time spent on non-operating activities)
- o transit operators perceive that the MTC gets too involved in the operators' day-to-day business such as fare policy, wages, and establishing routes and schedules
- o the MTC processes sometimes appear more important than the results.

On the positive side, transit operators did note that many of the reporting requirements were due to State and federal requirements, rather than MTC processes. In fact, MTC has been an active advocate of paperwork reduction. Operators particularly appreciate MTC's work on UMTA and APTA Section 15 simplification committees. Operators also thought that fare and service coordination are appropriate areas of concern for the MTC because no one operator has a vested interest to address the issues.

In the auditor's opinion, MTC has made substantial improvements in performing its oversight functions. MTC has consistently reviewed its own programs and processes, and acted to improve these without hesitation. In each case, impacted operators have been consulted about the potential changes to ensure that programs are responsive to everyone's needs. MTC specifically improved three programs during this audit period: the Productivity Improvement Program; the Transit Coordination Evaluation; and the operator performance audits. In each case, MTC's changes reduced the administrative burden, refocused efforts on high-payoff issues and coordinated operator efforts and responses. Internal and external stakeholders cite each of these programs as having measurably improved over the audit period.

Even so, future improvements are warranted and require MTC attention. Specifically, the PIP, operator performance audits and other reporting requirements warrant attention, as follows:

- o The Productivity Improvement Program has improved (i.e., reduced paperwork, real problem focus, joint solutions), but still may not produce tangible results. The first preference of operators is to eliminate this program altogether, but combining it with the performance audits is a viable second choice. This could provide independent assistance in targeting, measuring and verifying improvements as part of the existing oversight process (e.g., reduce administrative requirements).
- o Operator performance audits have improved and are actually approved of by most operators. Two problems were noted: (1) audit findings sometimes fail to reach the respective operator policy board; and (2) small operators perceive little value from audits as presently conducted (the auditor must address too many issues with too few dollars to be very effective).
- o Reporting requirements are onerous and should be reduced, if possible. Transit operators recognize that most reporting requirements are federally mandated or required by the State. Even as subsidies decline, operators perceive that reporting requirements are increasing. MTC could help by advocating streamlined reporting (on both the federal and State levels) and by providing technical tools to help prepare reports (e.g., providing a spreadsheet model for completing UMTA Section 15, State Controller's and MTC Annual Reports). MTC has already done much with Section 15 simplification advocacy.

COORDINATION AND CONSENSUS-BUILDING

As the designated Regional Transportation Planning Agency (RTPA) and Metropolitan Planning Organization (MPO), MTC has responsibility for coordinating transportation plans and efforts. Transportation coordination requires consensus-building given the numerous independent transportation agencies in the Bay Area and their local funding base. Consensus-building is also necessary because there are not sufficient resources to fund every transportation proposal in the region. Building a consensus around proposed solutions for transportation problems is an important responsibility of the MTC. This opinion is shared by MTC staff, external agencies and the Booz, Allen Team.

Although MTC is in a continuous position of balancing competing demands and coordinating transportation activities on a daily basis, four programs merit attention here. Each has experienced significant progress and improvement over the audit period, as discussed below:

- o The Rail Extension Program represents an excellent example of successful regional coordination and consensus-building to date. The rail agreement is the product of nine years of evolutionary work by the MTC and the region, and reflects a combination of technical, financial and political efforts. This rail assessment is heralded as a significant first step in building more rail transit in the region and MTC is credited with coordinating a regional consensus in a timely manner. Much work remains to be done in the areas of individual rail project planning, analysis, funding, coordination and communication.
- o The Regional Highway System (RHS) has progressed, but still requires substantial effort to effectively define, plan and coordinate. Unlike the Rail Extensions Program (which supports a near term attempt to compete for federal monies), the RHS is a proactive effort to influence post-interstate federal funding (i.e., FY92 and beyond). The lack of urgency has slowed the progress of the program, but not halted it. Focusing attention on potential future funding, being an advocate thereof, and defining regional transportation systems and plans are certainly primary responsibilities of MTC. Continued diligence, and perhaps clearer communication of objectives, are required by MTC to successfully implement this program.
- o MTC has contributed to significant improvements in fare coordination. MTC has been adept in performing the necessary roles to ensure coordination. In the case of the Peninsula Pass, operators (particularly CalTrain) were highly motivated to coordinate and MTC provided technical assistance as requested. In other cases (e.g., BART, AC Transit, CCTA coordination), MTC has taken a proactive role in providing leadership to resolve technical impediments to coordination. MTC has demonstrated a cooperative spirit towards coordination, but has also been dogmatic in pursuing coordination efforts with or without operator support. Significant progress has been made in coordination over this audit period.
- o MTC has been a successful proponent of service coordination. MTC has provided technical support to assess and evaluate potential coordination improvements across the nine county area. The Commission has induced operators to coordinate through oversight, regulatory and proponent efforts. Overall, transit operators, funding agencies and interest groups believe current progress to be successful. All note that it is unlikely that improved service would have been attained

without MTC diligence.

TECHNICAL ASSISTANCE

MTC performs a non-traditional role of providing technical assistance well beyond that related to fund applications and its oversight responsibilities. While these efforts do not reflect traditional RTPA and MPO roles, they are appropriate and effective. In this role, MTC serves as a technical problem solver and works directly with transportation agencies to address explicit problems. Through these efforts, transportation becomes more effective and efficient. Another benefit is that MTC and the operating entities become a team working toward a common goal. The understanding of each other's business created in this effort helps in future relationships.

Three programs warrant mention:

- o The Pavement Management System (PMS) is lauded as an ultimate success by its more than 30 user agencies. In this case, MTC listened to common user needs (all cities and counties in the Bay Area) and acted to develop a useful pavement management tool. The resulting system has proven effective, and MTC's continuing support is greatly appreciated throughout the region. As a result of MTC's efforts, public works officials believe scarce road dollars are more effectively programmed and utilized.
- o The Rent-a-Planner program has improved transit operator planning effectiveness. Under this program, MTC planners are made available to operators requesting assistance for major service analyses and plan development efforts. Operators have noted exceptional satisfaction with the planning skills and efforts of MTC staff.
- o The Rent-an-Analyst program is a successful off-shoot of the above program. Similar to the planning program, technical analysts are provided to operators to assist in the resolution of specific problems or issues. MTC established the program to help both staff development and operator problem resolution. Four highly technical projects have been completed (two at Muni, two at AC Transit), with excellent results. Transit operators and staff have noted a high degree of satisfaction with MTC efforts and results under this program.

INTERNAL MANAGEMENT ISSUES

The MTC is widely recognized as an efficient and effective agency by federal, State and local authorities. Its staff are

considered to be of high calibre, its products are thoughtful and professional, and the agency often leads efforts to improve planning, programming and reporting efforts both in the region and in the transportation industry. MTC, as an agency, is a recognized policy leader in the transportation industry.

MTC has proven to be austere in managing its resources-- staffing and expenditures have remained fairly constant while responsibilities have expanded with regional needs. MTC generally meets its stated goals, objectives and programs in a timely manner. The resulting products are generally of high quality and accomplish intended purposes.

MTC's average staff tenure is relatively high (about eight years at present), indicating that employees generally desire a long professional relationship with MTC. Staff training programs have improved measurably over the audit period, and problems cited in the FY85 audit no longer exist. MTC has made significant strides in other resource management areas such as computer availability and information management and control.

Even though many positive improvements are evident in internal management practices, several concerns were raised by staff:

- o Internal bi-lateral communication needs strengthening at MTC, and strengthening of communication links could improve effectiveness and better motivate staff. Staff indicate that they have limited opportunity to forward their ideas on performance improvement to top management. Further, top management do not consistently take time to communicate Commission objectives, processes and results to interested staff. This is particularly evident with the Rail Extensions Program where some staff still do not understand what actually occurred at the policy level to build consensus. Weekly manager meetings and high staff involvement in Commission presentations are sound communications devices, but more channels of communication are needed. Expanded interaction is also needed between MTC functions (e.g., Planning and Allocations).
- o Upward mobility is constrained by low employee turnover and a limited number of managerial positions. This was discussed in the first audit phase, and management responded immediately. Two new manager positions were formed and filled to address this concern. Management and the Commission have demonstrated responsiveness to staff concerns by these actions. The MTC staff is among the best, and deserves adequate attention.

- o Staff believes that MTC sometimes becomes process oriented, rather than results oriented. Much of MTC's work, by mandate, involves overseeing or implementing a specific process for funding, programming, planning coordination, or oversight. While MTC periodically realigns itself toward results, sometimes it gets caught up in the process, temporarily forgetting intended results. Examples may include five year plans, the productivity improvement program, performance audits, coordination efforts and fund programming. Routine reviews, and periodic brainstorming may help refocus processes toward desired results.
- o MTC staff believe they require greater insight as to their role and MTC's future direction. Staff have indicated that they desire greater policy direction as to what they should be accomplishing, which areas they can expand their influence in and areas they should avoid. Staff have suggested that a more formal mission statement and routine update with evolutionary events would be valuable.

PERFORMANCE AUDIT RECOMMENDATIONS

As a result of the Booz, Allen Team's rigorous performance analysis, and generous input from MTC stakeholders, several recommendations are offered for MTC's consideration:

- o Submit FHWA indirect cost plans in a timely manner. MTC failed to do so for two of the last four years. This did not result in a loss of funds, but a delay in reimbursement for eligible administrative costs. MTC was aware of the problem and submitted all late plans during this audit cycle.
- o Attempt to accelerate timely UMTA grant closure, as requested. UMTA is encouraging all grant recipients to close out grants after two to three years. This is not a legal requirement, but rather an administrative request. MTC should continue to make good faith efforts to comply with this request, and should execute its current plan for acceleration.
- o Further strengthen the Productivity Improvement Program (PIP) without increasing administrative burdens. This is easy to say, but difficult to accomplish. MTC has been responsive to program improvement needs and has proactively improved the program focus and process, while reducing reporting requirements. Although real progress has been made by MTC, all stakeholders indicate further improvement is needed. MTC should

consider combining this program with performance audits to identify key areas for improvement, mutually identify improvement targets (measurable) and verify results.

- o Strengthen operator performance audits. Most comments on performance audits were positive, but four specific improvements should be considered: (1) require that audit results be presented to policy boards; (2) provide more resources to small operator audits and focus on fewer issues; (3) reinstate recommendations in transit operator audits (operators are not mandated to precisely implement each, but should respond to specific recommendations); and (4) combine elements of the PIP with the performance audit.
- o Continue efforts to reduce overall transit operator reporting requirements. MTC has been the key force in promoting reduction of federal Section 15 reporting requirements, and these efforts are greatly appreciated by area operators. MTC should continue these and similar efforts. In addition to advocating reporting changes, MTC might consider developing a spreadsheet model or guide to help operators complete three similar reports -- Section 15, the State Controller's Report and the MTC report.
- o As part of the next steps in the Rail Extensions Program, MTC should communicate with staff and bus operators. MTC staff should be apprised of the process that culminated in regional consensus, how their work fit in and MTC's role in the next steps. MTC should also meet with bus operators to discuss the eventual implications of the rail program on future bus subsidies (e.g., Section 3 and 9 monies).
- o MTC should reexamine the Regional Highway System (RHS) and renew efforts for further progress. Public works officials, while pleased with progress to date, indicated two specific concerns:
 - there does not appear to be an immediate need for the RHS
 - its use and relationship to FAU, FAS and the CTC capital priorities process is unclear.

Part of the reason for success in the Rail Extensions Program was that everyone understood the urgent need to act and the program use and contents were clear. MTC staff should reassess current RHS progress, need and intent and develop information addressing road interest

concerns. As a regional planning agency, this program directly effects MTC's role in planning, funding advocacy, consensus-building and coordination. MTC should continue RHS efforts.

- o MTC should continue its proactive fare and service coordination activities. MTC's move away from studying and commenting on coordination (or the lack thereof), and toward solving specific obstacles to coordination have enhanced Bay Area transit services. All transit operators recognize this as a critical and appropriate role of MTC. Several operators have suggested that MTC adopt a reward system for coordination efforts, rather than a penalty system. However, no apparent source of discretionary monies to fund such a program are evident. MTC's persistent "can do" attitude in pursuing changes have spawned most service and fare coordination improvements according to involved operators.
- o MTC should consider new areas of technical assistance, should resources become available. The Commission has been extremely successful in improving transportation effectiveness through technical support activities (e.g., pavement management, transit planning, technical analyst services). As it has done in the past, MTC should pursue new opportunities for providing technical assistance to better shape the transportation future of the Bay Area. Potential opportunities include traffic impacts of developments, land use planning related to the Rail Extensions Program, rail alternatives analysis, and transit attendance improvement. MTC should canvass staff and user groups to ascertain the most beneficial technical aides.
- o MTC should strengthen bi-lateral and inter-sectional internal communications. Staff need more opportunities to float key ideas to top management and desire more feedback from management -- particularly as local funding significance increases MTC's role as a consensus-builder rather than project approval agency. Several key approaches warrant consideration:
 - o Hold formal, periodic brain-storming sessions to evaluate existing programs and new programs at least annually
 - o Initiate informal "brown bag lunch" sessions to review topical issues and increase inter-sectional communication monthly

- o Develop a brief, internal newsletter which highlights significant actions, plans and accomplishments of MTC.

It is essential that top management participate with staff in these efforts.

- o Increase the opportunity for advancement at MTC, within reason. Upward mobility was cited as a significant concern by staff in Phase I. Before the audit was complete, management responded by adding two new management positions. Management has already implemented this recommendation.
- o Formally review MTC's processes, role and future direction annually, including staff in the process. Actually, MTC does review its processes, results and direction at least annually (in many cases much more often), but does not adequately involve staff. MTC staff are highly competent and motivated, and desire to be a more integral part of agency self-criticism and direction setting. MTC should consider a means to formally solicit input from staff in such an effort annually.
- o Re-evaluate the Rent-an-Analyst program and develop a specific, future strategy. The program is heralded as a success by MTC staff and operators. Its continuance is desired. However, as currently configured, the program places tremendous pressure on the staff members involved and MTC overall. The program is implemented without additional staff, and other staff responsibilities remain, even while working on the operator's problem. The resulting burden on the staff member and work products (for both MTC and the operator) can be negative. MTC should carefully review the potential implications of the program, develop a long term strategy to address concerns, and implement it.

As noted throughout this report, MTC has performed efficiently, economically and effectively over the audit period (i.e., FY85 through FY88). MTC has made commendable improvements over prior audit performance, and all indications are that these trends will continue. Several recommendations are offered for MTC's consideration in making future improvements.

A final note on the performance audit is an editorial remark by the Booz, Allen Team. This audit process focused heavily on gaining transportation interests insights and views on MTC performance. MTC staff, managers and external agency representatives from all forms of transportation interests

expressed genuine appreciation for MTC's desire to hear them out. As the auditor, we performed the role of an independent sounding board for MTC. While the conclusions are ours, we also forwarded the comments of outside and inside interests in the report appendices. Having conducted numerous TDA audits across the State of California, the Booz, Allen Team believes this audit effort to be unique and particularly helpful to both MTC and Bay Area transportation interests. We would encourage MTC to periodically solicit external and internal concerns through an independent sounding board -- either through the performance audit process or some other mechanism.

APPENDIX A:
TABULATION AND RESPONSES
TO EMPLOYEE QUESTIONNAIRE

QUESTIONNAIRE SUMMARY

There were 50 responses to the questionnaire, from all the grade levels and departments in the organization.

The questionnaire was in two parts: (1) Personal questions dealing with their experiences and perceptions of the organization's function and role, and (2) questions on regional impact issues. Because of their jobs at MTC some respondents were not comfortable answering the second set of questions on regional impact.

PERSONAL QUESTIONS.

1. The averaged length of tenure of employees answering the questionnaire was 8 years.
2. Employees come from a variety of backgrounds. More than one third had previously worked in other government agencies, less than 20 percent were from private consultant firms, 10 percent came directly from school and nearly one third came from a variety of other places.
3. When asked to describe in one word what MTC's operating function was, 35% responded "administering," 35% with "planning," 28% as "coordinating," and only 2% as "managing." However, the MTC top management was evenly divided among the four categories.
4. The majority of employees (58%) believe that MTC is partly responsible for the effectiveness and reliability for the region's transportation: 26% think MTC is very responsible, but 16% say the MTC is not very responsible. When the question was elaborated on, the respondents cited the independence of the other local governments involved with transportation and the complexities of transportation finance as limiting MTC's role.
5. The majority of employees (66%) saw their personal role at MTC as definitely supporting MTC's overall mission. Only 4% did not appear to

relate their own jobs as being supportive of the overall organization's mission.

6. In terms of communicating objectives within the organization, less than half the employees were clearly positive about how well objectives and results were communicated to the employees. This is possible area for management concern.

7. The employees believe that MTC is an efficient and effective organization in utilizing its own resources. Only 14% of the employees were negative on this issue.

8. Overwhelmingly (by 97%) , the employees believe that MTC is complying with all of its mandates and charges.

9. Practically all of the respondents (94%) had received training during the past three years. Of those responding, 98% thought that the training was adequate for their present assignments.

10. There was a drop-off when respondents were asked whether the training was relevant to their ability to received promotion in the future. Only 72% responded affirmatively, with 20% saying "no" and 7% undecided.

11. Less than half the respondents responded positively to the question of whether the organization critically assesses its established practices and examines potential progressive changes periodically.

12. Slightly more than half (56%) believe the organization is open to new ideas.

REGIONAL IMPACT

1. Half (50%) of the respondents identified the integration of transportation planning and land use planning as the most pressing problem facing the region. The other responses were arrayed among the other alternatives.

2. The most symbolic representation of MTC's success over the years was judged to be the ability of the transit operators to work together (41%), closely followed by the willingness of local legislators and policy makers to work together (37%).

3. MTC's most symbolic failure over the years was spread fairly evenly among the alternatives offered. However, 28% did mention the condition of the region's roads and freeways as their candidate for that distinction.

4. Employees were almost evenly split in their feeling about MTC's external relations with the other public agencies: 51% believe their relations are cooperative and cordial, but 49% believe that the relationships are cooperative but adversarial. The written comments on this question reflect philosophical differences, as to whether MTC's role requires an adversarial position.

5. The majority (85%) believe the MTC's relations with the public are satisfactory or adequate.

6. Less than half (41%) the respondents view the press coverage of transportation as thoughtful and informed.

7. MTC employees rate their impact on transit much higher than their impact on the regions highways and roads. But even in relationship to highways and roads, only a very small percentage (8%) see MTC's role as insignificant in this area.

8. The inter-operator agreements ,the New Starts program, and the Pavement Management System were mentioned most frequently as the most positive examples of MTC's ability to improve the region's transportation.

9. There was no clear identification of a single example of serious failure by MTC to make improvements in the region's transportation.

10. More than half of the respondents (57%) were not very familiar with the Performance Audit program. However, the written comments by those in

the organization familiar with the program did stress a need to make better use of the Performance Audits as tools to allocate assistance and provide direction to the transit agencies.

11. The joint passes and route coordination were the most often cited examples of MTC's facilitation of coordination among the transit operators.

12. The most often cited suggestion about how MTC could improve cooperation and coordination among the transit operators was that MTC should obtain more power.

RESPONSES TO QUESTIONNAIRE

There were 50 completed questionnaires turned in and tabulated.

Grade levels of those responding were

• Management –	5
• V to IV –	
• I to V –	33
• Undisclosed –	4
Total	50

Departments represented were

• Executive Offices and Support	6
• Accounting and Auditing	4
• Legislative Unit	2
• Planning	9
• Technical Services	13
• Allocation and Assistance	13
• Undisclosed	3
Total	50

Chi-Square: 32.581
Significance: 0.019

Phi: 0.807
Cramer's V: 0.466

Contingency
Coefficient: 0.628

Cell Count Row % Column % Total %	Data File: MTC 1							Grade level Totals
	Allocation	Executive-Off	Planning	Legislative	Technical-Ser	Accounting	Undisclosed	
Management	1	3	0	0	1	0	0	5
	20.00	60.00	0.00	0.00	20.00	0.00	0.00	
	7.69	50.00	0.00	0.00	7.69	0.00	0.00	
	2.00	6.00	0.00	0.00	2.00	0.00	0.00	10.00
I-IV	1	2	2	0	2	1	0	8
	12.50	25.00	25.00	0.00	25.00	12.50	0.00	
	7.69	33.33	22.22	0.00	15.38	25.00	0.00	
	2.00	4.00	4.00	0.00	4.00	2.00	0.00	16.00
V-IX	10	1	7	2	9	3	1	33
	30.30	3.03	21.21	6.06	27.27	9.09	3.03	
	76.92	16.67	77.78	100.00	69.23	75.00	33.33	
	20.00	2.00	14.00	4.00	18.00	6.00	2.00	66.00
Undisclosed	1	0	0	0	1	0	2	4
	25.00	0.00	0.00	0.00	25.00	0.00	50.00	
	7.69	0.00	0.00	0.00	7.69	0.00	66.67	
	2.00	0.00	0.00	0.00	2.00	0.00	4.00	8.00
Department Totals	13	6	9	2	13	4	3	50
	26.00	12.00	18.00	4.00	26.00	8.00	6.00	100.00

PART I PERSONAL QUESTIONS**1. HOW LONG HAVE YOU WORKED FOR MTC?**

The employees answering the question had an average of 8 years at MTC.
The statistical distribution is given below.

Data File: MTC 1

Variable: Years at MTC Observations: 48

Minimum: 0.000

Maximum: 25.000

Range: 25.000

Median: 6.000

Mean: 8.042

Standard Error: 0.904

Variance:

39.232

Standard Deviation:

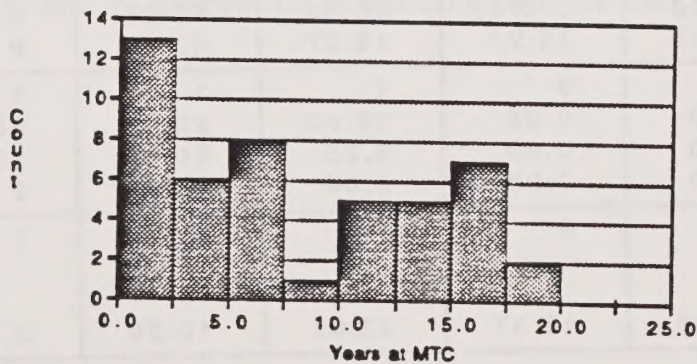
6.264

Coefficient of Variation:

77.889

Skewness: 0.569

Kurtosis: -0.746



2. WHAT KIND OF WORK EXPERIENCE DID YOU HAVE BEFORE COMING TO MTC?

- With another MPO – 0%
- A private consultant – 18%
- Another government transportation agency – 20%
- Another government agency, but not transportation related – 16%
- Directly from school; if so, what level? – 10%
- Other – 33%

Chi-Square: 31.237 Phi: 0.798 Contingency
Significance: 0.008 Cramer's V: 0.461 Coefficient: 0.624

Cell Count Row % Column % Total %	Data File: MTC 1						Grade level Totals
	GOVTRANS	GOVNOTTRANS	CONSUL	OTHER	SCHOOL		
Management	4 80.00 40.00 8.16	0 0.00 0.00 0.00	0 0.00 0.00 0.00	1 20.00 6.25 2.04	0 0.00 0.00 0.00	0 0.00 0.00 0.00	5 10.20
I-IV	0 0.00 0.00 0.00	1 12.50 12.50 2.04	2 25.00 22.22 4.08	5 62.50 31.25 10.20	0 0.00 0.00 0.00	0 0.00 0.00 0.00	8 16.33
V-IX	5 15.62 50.00 10.20	7 21.88 87.50 14.29	7 21.88 77.78 14.29	9 28.12 56.25 18.37	4 12.50 80.00 8.16	0 0.00 0.00 0.00	32 65.31
Undisclosed	1 25.00 10.00 2.04	0 0.00 0.00 0.00	0 0.00 0.00 0.00	1 25.00 6.25 2.04	1 25.00 20.00 2.04	1 25.00 100.00 2.04	4 8.16
Experience Totals	10 20.41	8 16.33	9 18.37	16 32.65	5 10.20	1 2.04	49 100.00

3. HOW WOULD YOU DESCRIBE MTC'S OVERALL MISSION?

Most of the respondents made an attempt to answer this. In general the answers were thoughtful and mentioned more than one function, such as coordinating, funding, allocation, planing, etc.

The respondents were aware of MTC's overall mission, and this did not appear to be differentiated along grade levels. The only lack of coherent response to this question were some persons in MTC support functions, where knowledge of the mission is not critical to their performance.

SOME TYPICAL COMMENTS (I-3):

"To provide technical assistance and policy leadership and guidance in the broad area of transportation (highway, transit, air, etc.) to a wide range of interests – local governments, transit agencies, state and federal legislatures."

"On paper: the regional transportation planning and finance body.
in reality: to accrue and distribute as much transportation funding as possible for the Bay Area."

"To work toward regional consensus on transportation improvement projects."

"To provide a framework/process for planning and funding transportation in the nine counties."

"Establish regional transportation planning policy and allocate funding to transit operators, as well as act as coordinator for transit operators."

"MTC's overall mission is to coordinate, plan and implement public transit in 9 counties to ensure everything is working well for the public."

4. IN YOUR OPINION, WHICH ONE WORD BEST DESCRIBES MTC'S GREATEST FOCUS IN ITS DAY IN AND DAY OUT WORK?

- Planning – 35%
- Administering – 35%
- Managing – 3%
- Coordinating – 28%
- Meddling – 0%

Chi-Square: 12.530
Significance: 0.185

Phi: 0.560
Cramer's V: 0.323

Contingency
Coefficient: 0.488

Cell Count Row % Column % Total %	Data File: MTC 1				
	COORD	ADMIN	MANAG	PLAN	Grade level Totals
Management	1 25.00 9.09 2.50	1 25.00 7.14 2.50	1 25.00 100.00 2.50	1 25.00 7.14 2.50	4 10.00
I-IV	1 20.00 9.09 2.50	1 20.00 7.14 2.50	0 0.00 0.00 0.00	3 60.00 21.43 7.50	5 12.50
V-IX	9 32.14 81.82 22.50	10 35.71 71.43 25.00	0 0.00 0.00 0.00	9 32.14 64.29 22.50	28 70.00
Undisclosed	0 0.00 0.00 0.00	2 66.67 14.29 5.00	0 0.00 0.00 0.00	1 33.33 7.14 2.50	3 7.50
MTC focus Totals	11 27.50	14 35.00	1 2.50	14 35.00	40 100.00

SOME TYPICAL COMMENTS (I-4):

No one actually chose "meddling" as an answer, however, the following response was close:

"MTC is multi-focused in its daily work -- the first four activities are all performed. I would replace "meddling" with "facilitating." However, our legislative mandate sometimes require that we act in a manner that some would say is "meddling."

"When we administer, manage, coordinate, etc. it is almost always in support of a transportation plan that we have created or accepted."

"Because we are unwilling to take a strong or dictatorially threatening position, we must rely on consensus, or a perceived neutral assessment, in order to get something done, or started at least."

"More time spent administering grants and grant related programs."

"Being a catalyst or facilitator -- and "coordinating" comes closest."

"All of the above. MTC's duties are varied. It is important that MTC provide a variety of services and perform a number of responsibilities, not just one of the above. The first four are positive values, the last is negative. MTC has both attributes."

"We process applications, review budgets and capital programs. Not enough time for direct, meaningful involvement in capital priorities process (operator) or budget development. We push paper too much."

"MTC has the vantage point of looking at transportation issues from a regional perspective and it has the resources (staff) to examine these issues intelligently and offer alternatives."

"Although planning and managing should be our greatest focus, I believe confusion over our appropriate role in dealing with local officials causes us to simply administer programs we are specifically responsible for, rather than pursue objectives in the broader arena of planning and policy making. Example: We spend an enormous time administering the TDA/STA fund for transit rather than assisting transit agencies in planning better services funded with those monies."

5. TO WHAT EXTENT IS MTC RESPONSIBLE FOR THE EFFECTIVENESS AND RELIABILITY OF TRANSPORTATION IN THE REGION?

- Not very responsible – 32%
- Partially responsible – 58%
- Very responsible – 26%

Chi-Square: 7.696
Significance: 0.261

Phi: 0.392
Cramer's V: 0.277

Contingency
Coefficient: 0.365

Cell Count Row % Column % Total %	Data File: MTC 1			
	PARTRES	NOTVERY	VERYRES	Grade level Totals
Management	3 60.00 10.34 6.00	0 0.00 0.00 0.00	2 40.00 15.38 4.00	5 10.00
I-IV	6 75.00 20.69 12.00	0 0.00 0.00 0.00	2 25.00 15.38 4.00	8 16.00
V-IX	16 48.48 55.17 32.00	8 24.24 100.00 16.00	9 27.27 69.23 18.00	33 66.00
Undisclosed	4 100.00 13.79 8.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	4 8.00
MTC reg trans Totals	29 58.00	8 16.00	13 26.00	50 100.00

SOME TYPICAL COMMENTS (I-5):

"Since transportation is a major problem in the Bay Area, there needs to be a scapegoat. Since MTC is the MPO for the Bay Area, it's easy to point the finger at one agency when things do not go well – from potholes, late buses, and AC Director misappropriation of funds."

"We provide funding, planning and coordinating support for transportation and to the extent that these functions are done well, we affect transportation. But we don't build, maintain or operate any transportation services or facility."

"While not responsible for the day to day operation of any transit system, MTC remains the only forum where a regional point of view should prevail. MTC should be powerful enough and effective enough to knock some heads and say "wake up! No city is an isolated area. We must work together, etc."

"MTC is not an operating agency but can use incentives to "nudge" the system. Some jawboning, some cheer leading."

"MTC is not responsible in the sense of a transit operator or some sort of transportation czar but rather for setting the scene through planning, fund allocation and coordination."

"We have failed to forecast correctly or to plan appropriately."

"MTC does not have enough power to get the transit agencies to cooperate and coordinate their systems."

"Individual owner-operators are responsible for successes and failures. MTC cant/won't stop massively wasteful projects, like Devil's Slide or AC bus garage."

"We do not operate the systems, transit or highway. Nonetheless, MTC programs and policies have prevented incorrect decisions from being made, and MTC coordination has, to a degree increased the ease of getting from one place to another at certain times."

"MTC has a great deal of responsibility – it lacks accompanying authority."

"Except in the area of fare coordination, I'm not aware of any major project that would have been different if MTC didn't exist."

"MTC does not meddle with operators' day to day operations. Often its plans and priorities are not easily noticeable by the general public."

"MTC reviews the work of transit agencies and provides guidance to the transportation infrastructure of the Bay Area. But, MTC has no mandate by or of law to enforce specific agencies activities."

"Self evident."

"Local jurisdictions play a major role especially in land use/transportation issues in which MTC has not yet chosen to get directly involved."

"The lead and development of transportation improvements in the region is done by agencies other than MTC. For example, rail extensions are identified by agencies other than MTC."

"We have relegated a lot of responsibility to the local agencies for planning and governing their local services. However, I believe we could take a stronger role in coordinating services and encouraging local agencies to be more efficient and effective."

"MTC has encouraged some useful public transit projects; Regional Links. However, the region has not moved on a coordinated solution to the rail question, and there is no regional inter city bus network planning."

7. IN YOUR OPINION, DO YOUR WORK RESPONSIBILITIES SUPPORT MTC IN ACHIEVING ITS OVERALL MISSION?

- Definitely – 66%
- Mostly, with some exceptions – 14%
- Partly, with many peripheral duties – 16%
- Not at all – 2%
- It is unclear how my responsibilities support the mission – 2%

Chi-Square: 34.293

Phi: 0.828

Contingency

Significance: 0.001

Cramer's V: 0.478

Coefficient: 0.638

Cell Count Row % Column % Total %	Data File: MTC 1					
	Definitely	NOTATALL	UNCLEAR	PARTLY	MOSTLY	Grade level Totals
Management	4 80.00 12.12 8.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	1 20.00 14.29 2.00	5 10.00
I-IV	4 50.00 12.12 8.00	1 12.50 100.00 2.00	1 12.50 100.00 2.00	1 12.50 12.50 2.00	1 12.50 14.29 2.00	8 16.00
V-IX	25 75.76 75.76 50.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	3 9.09 37.50 6.00	5 15.15 71.43 10.00	33 66.00
Undisclosed	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	4 100.00 50.00 8.00	0 0.00 0.00 0.00	4 8.00
Own work resp Totals	33 66.00	1 2.00	1 2.00	8 16.00	7 14.00	50 100.00

8. ARE MTC OBJECTIVES AND ACTUAL RESULTS WELL COMMUNICATED TO THE EMPLOYEES?

- Always – 4%
- Most of the time – 42%
- Some of the time – 40%
- Infrequently – 12%
- Never – 2%

Chi-Square: 14.804
Significance: 0.252

Phi: 0.544
Cramer's V: 0.314

Contingency
Coefficient: 0.478

Cell Count Row % Column % Total %	Data File: MTC 1					
	Mosttime	SOMETIME	NEVER	INFREQ	ALWAYS	Grade level Totals
Management	4 80.00 19.05 8.00	1 20.00 5.00 2.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	5 10.00
I-IV	2 25.00 9.52 4.00	4 50.00 20.00 8.00	1 12.50 100.00 2.00	0 0.00 0.00 0.00	1 12.50 50.00 2.00	8 16.00
V-IX	14 42.42 66.67 28.00	12 36.36 60.00 24.00	0 0.00 0.00 0.00	6 18.18 100.00 12.00	1 3.03 50.00 2.00	33 66.00
Undisclosed	1 25.00 4.76 2.00	3 75.00 15.00 6.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	4 8.00
MTC objectives Totals	21 42.00	20 40.00	1 2.00	6 12.00	2 4.00	50 100.00

9. TO WHAT EXTENT DOES MTC CONDUCT ITS ACTIVITIES AND UTILIZE ITS RESOURCES IN AN EFFICIENT AND EFFECTIVE MANNER?

- Highly efficient and effective – 14%
- Generally efficient and effective – 72%
- Inefficient and ineffective – 5%
- Efficient, but ineffective – 2%
- Effective, but inefficient – 7%

Chi-Square: 4.882

Phi: 0.337

Contingency

Significance: 0.962

Cramer's V: 0.195

Coefficient: 0.319

Cell Count Row % Column % Total %	Data File: MTC 1					
	High-eff-eff	Gen-eff-eff	Inefficient	Effect-but-in	Efficient-but	Grade level Totals
Management	1 25.00 16.67 2.33	3 75.00 9.68 6.98	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	4 9.30
I-IV	1 14.29 16.67 2.33	5 71.43 16.13 11.63	1 14.29 50.00 2.33	0 0.00 0.00 0.00	0 0.00 0.00 0.00	7 16.28
V-IX	4 13.79 66.67 9.30	20 68.97 64.52 46.51	1 3.45 50.00 2.33	3 10.34 100.00 6.98	1 3.45 100.00 2.33	29 67.44
Undisclosed	0 0.00 0.00 0.00	3 100.00 9.68 6.98	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	3 6.98
MTC efficiency Totals	6 13.95	31 72.09	2 4.65	3 6.98	1 2.33	43 100.00

SOME TYPICAL COMMENTS: (I-9):

"Takes a great deal of effort to recruit top notch staff and give them full responsibility and encourage innovation/"

"Very lean staffing policy."

"Agency computer purchase and staff training have enabled work to be completed on time efficiently and effectively."

"Public decisions are the direct products of MTC's work. Most of MTC staff work is focused on securing these decisions. Most MTC decisions are aimed at providing more effective transportation services."

"During the past year many items have been moved to desktop publishing to save typesetting costs."

"Our transportation modelling system is excellent but one of the major counties refused to use it."

"We devote about 5 person years to developing a RTIP (highway priority list) whether the available funds are large (100 million) or small (20 million)."

"We avoid taking a position in important but controversial issues, like priority lists in a county's 1/2 cent sales tax measure."

"The electronic schedule display systems at 12th Street and Hayward BART cost about \$35 K and are a significant aid to transit users."

"Its hared to generalize about such a thing, but I feel that MTC is not overly wasteful in appearance."

"We complete routine work assignments well and on time, but no one cares, especially transit operators. They only care about project application approval (\$)."

"In my eyes MTC has gone well beyond the commitment of any similar agency."

"After working at other government agencies, I believe MTC's employees are very productive."

"Staff, at least in my section, have very defined non-overlapping responsibilities and duties. However, much talent and time is wasted in purely administrative functions."

10. TO WHAT DEGREE DOES MTC COMPLY WITH FEDERAL, STATE AND LOCAL MANDATES AND CHARGES (E.G. FUNDING ALLOCATION, PLANNING AND COORDINATION)?

- Very well – 68%
- Generally well, with some minor exceptions – 29%
- Moderate – 2%
- Generally Poor – 0%

Chi-Square: 3.144
Significance: 0.791

Phi: 0.277
Cramer's V: 0.196

Contingency
Coefficient: 0.267

Cell Count Row % Column % Total %	Data File: MTC 1			
	Very-well	GENWELL	Moderate	Grade level Totals
Management	4 80.00 14.29 9.76	1 20.00 8.33 2.44	0 0.00 0.00 0.00	5 12.20
I-IV	3 60.00 10.71 7.32	2 40.00 16.67 4.88	0 0.00 0.00 0.00	5 12.20
V-IX	20 71.43 71.43 48.78	7 25.00 58.33 17.07	1 3.57 100.00 2.44	28 68.29
Undisclosed	1 33.33 3.57 2.44	2 66.67 16.67 4.88	0 0.00 0.00 0.00	3 7.32
MTC comply Totals	28 68.29	12 29.27	1 2.44	41 100.00

SOME TYPICAL COMMENTS (I-10):

"MTC makes sure other transit agencies and operators comply with regional transportation plans."

"We are complying with the letter of the law, but in areas like transit productivity, the program is essentially useless."

"Requirements for funding are followed to the extreme letter. Legislative advocacy is great. Real planning, however, is limited and scattered throughout the agencies."

"In most cases MTC complies as good as can be expected with all the various, and contradictory laws and regulations."

"We follow UMTA guidelines for planning quite diligently."

"With the 'watchdog' society on the outside looking in, I'd say we do a fair job of complying."

"We do it all and we do it right. And this is the reason our section is too bureaucratic and not very effective; get rid of the paper requirements and let's get on with business."

"I know of no specific instances where we've been penalized for noncompliance."

"We have statewide reputation for producing a quality RTIP. However, the products are on time, but empty – they fulfill bureaucratic mandates, but don't address the real transportation problems in the region."

"Funding allocations and planning efforts are well documented and implemented; however, coordination is weak because we often try to ride the fence."

"TDA Article 3 rules are followed to the letter."

"Takes mandates seriously. Active in legislative process to enact mandates that are important to the region. Uses mandate to improve region's transportation services by applying and expanding mandates. Ties many different approaches to implement mandates to be meaningful to the region."

11. HAVE YOU RECEIVED TRAINING AT MTC DURING THE LAST 3 YEARS?

- Yes – 94%
- No – 6%

Chi-Square: 3.108
Significance: 0.375

Phi: 0.249
Cramer's V: 0.249

Contingency
Coefficient: 0.242

Cell Count Row % Column % Total %	Data File: MTC 1		
	Y	N	Grade level Totals
Management	4 80.00 8.51 8.00	1 20.00 33.33 2.00	5 10.00
I-IV	7 87.50 14.89 14.00	1 12.50 33.33 2.00	8 16.00
V-IX	32 96.97 68.09 64.00	1 3.03 33.33 2.00	33 66.00
Undisclosed	4 100.00 8.51 8.00	0 0.00 0.00 0.00	4 8.00
Trng 3 yrs Totals	47 94.00	3 6.00	50 100.00

12. HAS THE TRAINING BEEN ADEQUATE FOR YOUR PRESENT DUTY ASSIGNMENT?

- Yes –94%
- No – 6%

All but one respondent who answered the question believed the training was beneficial

Chi-Square: 0.511
Significance: 0.917

Phi: 0.103
Cramer's V: 0.103

Contingency
Coefficient: 0.103

Cell Count Row % Column % Total %	Data File: MTC 1		
	Y	N	Grade level Totals
Management	5 100.00 10.64 10.42	0 0.00 0.00 0.00	5 10.42
I-IV	7 100.00 14.89 14.58	0 0.00 0.00 0.00	7 14.58
V-IX	31 96.88 65.96 64.58	1 3.12 100.00 2.08	32 66.67
Undisclosed	4 100.00 8.51 8.33	0 0.00 0.00 0.00	4 8.33
Trng adequate Totals	47 97.92	1 2.08	48 100.00

13. IS THE TRAINING RELEVANT TO YOUR ASPIRATIONS AND ABILITY TO ACHIEVE PROMOTIONS IN THE FUTURE?

- Yes – 98%
- No – 2%

Chi-Square: 10.301
Significance: 0.113

Phi: 0.489
Cramer's V: 0.346

Contingency
Coefficient: 0.440

Cell Count Row % Column % Total %	Data File: MTC 1			
	Y	N		Grade level Totals
Management	4 80.00 12.90 9.30	0 0.00 0.00 0.00	1 20.00 33.33 2.33	5 11.63
I-IV	3 50.00 9.68 6.98	3 50.00 33.33 6.98	0 0.00 0.00 0.00	6 13.95
V-IX	23 79.31 74.19 53.49	4 13.79 44.44 9.30	2 6.90 66.67 4.65	29 67.44
Undisclosed	1 33.33 3.23 2.33	2 66.67 22.22 4.65	0 0.00 0.00 0.00	3 6.98
Trng relevant Totals	31 72.09	9 20.93	3 6.98	43 100.00

14. WHAT STEPS SHOULD MTC TAKE TO IMPROVE THE ORGANIZATION'S COUNSELING AND TRAINING?

SOME TYPICAL COMMENTS:

"More timely implementation of agency wide training of staff, e.g. meeting facilitation/conflict resolution training."

"Step 1 would be notification that counseling is available. Training is fine, especially towards the end of the fiscal year."

"Staff a person who carries these responsibilities through."

"More support from appropriate section in Administrative Services concerning what's available in way of courses, training etc."

"Have managers circulate training materials to staff routinely."

"Provide more information to staff about what MTC is doing. Provide more people handling courses."

"There is no counseling that I know of other than personal advice."

Training is quite good. What counseling?"

"Get feed back from employees."

"One missing element is comprehensive orientation for new employees and periodic updates for "veterans."

"Expand technical training. Most training seems focused on management, writing, speaking, etc."

15. IN YOUR OPINION, DOES MTC CRITICALLY ASSESS ITS ESTABLISHED PRACTICES AND EXAMINE POTENTIAL PROGRESSIVE CHANGES PERIODICALLY?

- Yes – 56%
- No – 29%
- Undecided – 15%

Chi-Square: 5.320
Significance: 0.503

Phi: 0.356
Cramer's V: 0.252

Contingency
Coefficient: 0.335

Cell Count Row % Column % Total %	Data File: MTC 1			
	Y	N	U	Grade level Totals
Management	4 80.00 20.00 9.52	0 0.00 0.00 0.00	1 20.00 16.67 2.38	5 11.90
V-IX	14 48.28 70.00 33.33	12 41.38 75.00 28.57	3 10.34 50.00 7.14	29 50.00 69.05
I-IV	1 25.00 5.00 2.38	2 50.00 12.50 4.76	1 25.00 16.67 2.38	4 9.52
Undisclosed	1 25.00 5.00 2.38	2 50.00 12.50 4.76	1 25.00 16.67 2.38	4 9.52
Exam own pra Totals	20 47.62	16 38.10	6 14.29	42 100.00

IS THE ORGANIZATION OPEN TO NEW IDEAS?

- Yes – 48%
- No – 38%
- Undecided – 14%

Chi-Square: 10.556
Significance: 0.103

Phi: 0.507
Cramer's V: 0.359

Contingency
Coefficient: 0.452

Cell Count Row % Column % Total %	Data File: MTC 1			
	Y	N	U	Grade level Totals
Management	4 100.00 17.39 9.76	0 0.00 0.00 0.00	0 0.00 0.00 0.00	4 9.76
V-IX	18 62.07 78.26 43.90	7 24.14 58.33 17.07	4 13.79 66.67 9.76	29 66.67 70.73
I-IV	0 0.00 0.00 0.00	3 75.00 25.00 7.32	1 25.00 16.67 2.44	4 16.67 9.76
Undisclosed	1 25.00 4.35 2.44	2 50.00 16.67 4.88	1 25.00 16.67 2.44	4 16.67 9.76
New ideas-IV Totals	23 56.10	12 29.27	6 14.63	41 100.00

SOME TYPICAL COMMENTS (I-15):

"Yes -- when new ideas have come up through the ranks here, they seem to have been well accepted."

"No, not very. Changes often entail major battles, depending on the suggested modifications."

"Depends on the manager. I would say generally not. That is, at the middle management level, there is less willingness to change or try new things. At the upper management level, including the executive director, I believe there is more willingness to examine potential changes."

"Not in a structured way. If staff are willing to question authority, they are generally listened to and sometimes changes in established practices result."

"No critical assessments of established practices are evident. Progressive changes also aren't evident. Some new ideas trickle through to the overall work program, but it's pretty much business as usual. Management is, however, receptive to new projects and is supportive of staff efforts in that regard."

"This is difficult to assess. In some respects the agency has been progressive and innovative. In other ways it plays a wait and see attitude and is reactive."

"Larry and Bill run the place like a Mom/Pop store with the legal counsel sweeping the dirt off the back steps."

"Only when there's a crisis. Yes, but not as eager to pursue them. Everyone's too involved in meeting day to day deadlines."

"In terms of addressing outside political forces/issues, yes MTC is flexible. In terms of personnel policies and treatment of its employees, it's horrendous. The agency's most important assets are its reputation and its employees; some of the agency's worst enemies are ex-employees and ex-Commissioners, which bodes ill for its reputation and current employees."

"Yes, I think the organization is on cutting edge of new ideas. We strive not to embrace fads. (Many fads come clothed with the respectability of a 'new idea'.")

REGIONAL IMPACT ISSUES

1. WHAT IN YOUR OPINION IS THE MOST PRESSING TRANSPORTATION PROBLEM OR ISSUE FACING THE REGION?

- The efficiency (or inefficiency) of local transit providers? -- 8%
- The ability to procure funds from the state and federal governments? -- 6%
- Integration of transportation planning and land use planning -- 50%
- Local flexibility in funding utilization -- 2%
- Balance of transportation supply and demand -- 23%
- Other -- 4%

Chi-Square: 17.840

Phi: 0.610

Contingency

Significance: 0.271

Cramer's V: 0.352

Coefficient: 0.521

Cell Count Row % Column % Total %	Data File: MTC 1						
	Balance-s/d	FUNDS	INTEG	FLEX-FUNDS	LOCAL	OTHER	Grade level Totals
Management	2 40.00 18.18 4.17	0 0.00 0.00 0.00	1 20.00 4.17 2.08	1 20.00 100.00 2.08	1 20.00 25.00 2.08	0 0.00 0.00 0.00	5 10.42
I-IV	1 14.29 9.09 2.08	1 14.29 16.67 2.08	5 71.43 20.83 10.42	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	7 14.58
V-IX	8 25.00 72.73 16.67	5 15.62 83.33 10.42	15 46.88 62.50 31.25	0 0.00 0.00 0.00	2 6.25 50.00 4.17	2 6.25 100.00 4.17	32 66.67
Undisclosed	0 0.00 0.00 0.00	0 0.00 0.00 0.00	3 75.00 12.50 6.25	0 0.00 0.00 0.00	1 25.00 25.00 2.08	0 0.00 0.00 0.00	4 8.33
Trans problem Totals	11 22.92	6 12.50	24 50.00	1 2.08	4 8.33	2 4.17	48 100.00

SOME TYPICAL COMMENTS (II-1):

"Transportation is one of the more fundamental factors in developing and maintaining economic vitality and well being of an area. Large imbalance between the supply and demand threatens and deteriorates the basic values of the area"

"Without money transit can't be increased and roads can't be repaired."

"No amount of transportation funding can provide adequate mobility if the land use plan and job-housing imbalance is not altered."

"It's almost impossible to provide adequate transportation for spread out development, especially campus style workplaces."

"Transportation improvements are at best a band-aid to the larger problems."

"Transportation as a free, or relatively free, good can distort land markets. Transportation traditionally catches up with development, causing reactive second-best solutions. Integration is avoided but not easily escaped."

"When people have to commute 2 hours each way between home and work, something is wrong. When only about 25% of families can afford an average priced home in the Bay Area, something is wrong."

2. WHAT IN YOUR OPINION IS THE MOST SYMBOLIC REPRESENTATION OF MTC'S SUCCESS OVER THE YEARS?

- The ability of the transit operators to work together -- 41%
- The condition of the region's roads and freeways -- 2%
- The financial solvency of the local transit providers -- 5%
- The willingness of local legislators and policy makers to work together -- 37%
- Other -- 15%

Chi-Square: 14.905
Significance: 0.247

Phi: 0.603
Cramer's V: 0.348

Contingency
Coefficient: 0.516

Cell Count Row % Column % Total %	Data File: MTC 1					
	Legis-work	TransOp-coop	OTHER	FINSOLV	ROADS	Grade level Totals
Management	2 40.00 13.33 4.88	1 20.00 5.88 2.44	1 20.00 16.67 2.44	1 20.00 50.00 2.44	0 0.00 0.00 0.00	5 12.20
V-IX	11 37.93 73.33 26.83	14 48.28 82.35 34.15	3 10.34 50.00 7.32	1 3.45 50.00 2.44	0 0.00 0.00 0.00	29 70.73
I-IV	1 33.33 6.67 2.44	1 33.33 5.88 2.44	1 33.33 16.67 2.44	0 0.00 0.00 0.00	0 0.00 0.00 0.00	3 7.32
Undisclosed	1 25.00 6.67 2.44	1 25.00 5.88 2.44	1 25.00 16.67 2.44	0 0.00 0.00 0.00	1 25.00 100.00 2.44	4 9.76
MTC success Totals	15 36.59	17 41.46	6 14.63	2 4.88	1 2.44	41 100.00

SOME TYPICAL COMMENTS (II-2)

"The consensus building that resulted from the New Rail starts, although it may be too little too late."

"Passage of important state legislation. Settlement of funding agreement between Golden Gate and Sonoma County."

"The elderly and handicapped program. The DBE database – whereby DBE firms are certified by the Minority Affairs Committee of the RTA."

"Local jurisdictions have adopted pavement management systems that will improve their capabilities to manage their pavement conditions."

"Recent agreement reached on the regional new starts and extensions program."

"Many examples demonstrate MTC's leadership role in securing transit funding ranging from sponsorship of the legislation to make the 1/2 cent sales tax permanent in the BART 3 counties to playing a major role in the improved Section 9 formula contained in the 1987 STAA."

"Developing consensus – Recent Rail Program is greatest example; other examples include 842 allocations which has sustained AC financial solvency in particular; transit capital priorities which resulted in increased share of federal funding."

"AC Transit-BART joint pass and use of Muni Fast Pass on BART in San Francisco."

3. WHAT IN YOUR OPINION IS THE MOST SYMBOLIC REPRESENTATION OF MTC'S FAILURE OVER THE YEARS?

- The ability of the transit operators to work together – 18%
- The condition of the region's roads and freeways – 28%
- The financial solvency of the local transit providers – 25%
- The willingness of local legislators and policy makers to work together-- 13%
- Other – 18%

Chi-Square: 9.186
Significance: 0.687

Phi: 0.479
Cramer's V: 0.277

Contingency
Coefficient: 0.432

Cell Count Row % Column % Total %	Data File: MTC 1					
	OTHER	Legis-work	FINSOLV	ROADS	TransOp-coop	Grade level Totals
Management	2 40.00 28.57 5.00	1 20.00 20.00 2.50	1 20.00 10.00 2.50	0 0.00 0.00 0.00	1 20.00 14.29 2.50	5 12.50
V-IX	4 14.29 57.14 10.00	3 10.71 60.00 7.50	9 32.14 90.00 22.50	8 28.57 72.73 20.00	4 14.29 57.14 10.00	28 70.00
I-IV	1 33.33 14.29 2.50	0 0.00 0.00 0.00	0 0.00 0.00 0.00	1 33.33 9.09 2.50	1 33.33 14.29 2.50	3 7.50
Undisclosed	0 0.00 0.00 0.00	1 25.00 20.00 2.50	0 0.00 0.00 0.00	2 50.00 18.18 5.00	1 25.00 14.29 2.50	4 10.00
MTC failure Totals	7 17.50	5 12.50	10 25.00	11 27.50	7 17.50	40 100.00

SOME TYPICAL COMMENTS (II-3):

"The failure of MTC's technical expertise -- planning models, data, etc. -- to make greater contribution to planning analyses and studies at the local (county/city) level."

"Lack of progress in defining a regional transportation system as a powerful frame of reference. The current Regional Highway System (RHS) effort might have been initiated earlier so that evolution to a more powerful baseline for advocacy and operational analysis would be available now."

"Sometimes money isn't the solution to financial solvency; perhaps providing technical assistance in personnel coordination, self respect attitude, positive solutions, etc."

"A little too conservative (timid) in terms of policy approaches, but this is changing. MTC is proposing (and finding legislative support) for more aggressive policy options, i.e. regional gas tax; increased coordination responsibilities; toll increases on the region's bridges; county 1/2 cent sales tax enabling legislation (1985)."

"MTC is still largely viewed as 'big brother' and has not convinced Bay Area officials of the 'strength in numbers' or 'having a consensus' positions."

"Generally transit's condition is worsening rather than improving. Coordination efforts are painfully slow -- generally because MTC has not exerted the authority it could in forcing transit agencies to deal with difficult financial and regional issues."

"MTC should have long ago taken a strong advocacy position in favor of rail transit investment and forced the transit operators to get behind a regional rail program. At the same time, MTC should have fought for more state and local authority to make land use decisions. MTC should be involved in the process whereby each city and county approves sprawl development and should have the power to curb rampant growth."

"Failure is relative. There are many issues where we can encourage and guide up to a point, but if locals are not willing and legislation does not exist apropos to the cause, we cannot succeed. We would not claim responsibility for the regions roads and freeways when we have consistently advocated increasing the gas tax and bridge tolls to support highway and local street maintenance and transit services into the Bay Bridge corridor. This is an example of where we see what is needed but legislators won't go for it."

4. WHILE RELATIONS ARE DIFFERENT WITH INDIVIDUAL AGENCIES, WHICH PHRASE TYPICALLY DESCRIBES MTC'S RELATIONS WITH MOST PUBLIC AGENCIES WITH WHICH IT DEALS?

- Cooperative and cordial – 51%
- Cooperative but adversarial – 49%
- Generally uncooperative – 0%
- Generally hostile – 0%

Chi-Square: 1.820

Phi: 0.211

Contingency

Significance: 0.611

Cramer's V: 0.211

Coefficient: 0.206

Cell Count Row % Column % Total %	Data File: MTC 1		
	C/Adversarial	CORDIAL	Grade level Totals
Management	2 40.00 10.00 4.88	3 60.00 14.29 7.32	5 12.20
V-IX	13 44.83 65.00 31.71	16 55.17 76.19 39.02	29 70.73
I-IV	2 66.67 10.00 4.88	1 33.33 4.76 2.44	3 7.32
Undisclosed	3 75.00 15.00 7.32	1 25.00 4.76 2.44	4 9.76
Relationships Totals	20 48.78	21 51.22	41 100.00

SOME TYPICAL COMMENTS (II-4):

"Staff to staff relation are generally very good, even with Caltrans. Policy debates exist but are usually resolved in a professional and cordial manner."

"Do away with some of the hoop-jumping projects, such as the PIP program."

"Allow staff to work more closely with them in the field/on site, rather than spending a majority of time locked in the Metro Center temple issuing administrative edicts from on high."

"I believe some of the problems have to do with poor individual relations, rather than an overall agency problem."

"With the present funding climate, such relationship is inevitable, and it may not be a negative position to be in. More important is that the other agencies need to recognize MTC's integrity and quality of work."

"From A/A standpoint, eliminate certain paper requirements and review current exercises which invariably antagonize operators yet serve no apparent substantial purpose."

"Increase relations out of the professional arena – e.g. softball league."

"During its infancy, MTC had very cordial relations – it didn't try to change anything. In my opinion, getting tough is the way to go."

"Strengthen Commissioners as salesmen for regional concerns."

5. HOW WOULD YOU DESCRIBE MTC'S RELATIONS WITH THE PUBLIC?

- Satisfactory without reservation – 20%
- Adequate considering the technical nature of MTC's work – 65%
- Unsatisfactory – 20%

Chi-Square: 5.786
Significance: 0.448

Phi: 0.380
Cramer's V: 0.269

Contingency
Coefficient: 0.355

Cell Count Row % Column % Total %	Data File: MTC 1			
	ADEQUATE	UNSAT	Satisfactory	Grade level Totals
Management	3 75.00 11.54 7.50	0 0.00 0.00 0.00	1 25.00 12.50 2.50	4 10.00
V-IX	16 55.17 61.54 40.00	6 20.69 100.00 15.00	7 24.14 87.50 17.50	29 72.50
I-IV	4 100.00 15.38 10.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	4 10.00
Undisclosed	3 100.00 11.54 7.50	0 0.00 0.00 0.00	0 0.00 0.00 0.00	3 7.50
Rel w Public Totals	26 65.00	6 15.00	8 20.00	40 100.00

SOME TYPICAL COMMENTS (II-5):

"More outreach effort to explain MTC's responsibilities to the region."

"None of the three choices. For the most part MTC's public is made up of the agencies we do business with."

"Public and press have no clear notion of our mission, or our 'image' is unclear, vague. The 'public' we deal with is 'transportation fanatics' and we need to take a proactive stance with the press to get across a single image (to say we develop consensus versus set regional priorities.)"

"Have the meetings at night so that regular working people can attend. Then have a kiosk outside with the forthcoming meeting agenda sheets in it."

"Only people that know about MTC are MTC gadflies."

"Newspapers often deride MTC out of misunderstanding."

"Public Info could be more aggressive in portraying visible and positive picture of MTC and its role in region."

"Very rarely do I meet someone outside of the transit community who has heard of MTC."

"Create an environment where the messenger doesn't get blamed for the bad news."

6. HOW WOULD YOU DESCRIBE THE STORIES AND ARTICLES WHICH APPEAR IN THE LOCAL PRESS COVERING TRANSPORTATION ISSUES?

- Thoughtful and informed -- 41%
- Thoughtful but technically uninformed -- 32%
- Negative but informed -- 10%
- Negative and uninformed -- 17%

Chi-Square: 12.752
Significance: 0.174

Phi: 0.558
Cramer's V: 0.322

Contingency
Coefficient: 0.487

Cell Count Row % Column % Total %	Data File: MTC 1				
	Thought-infor	Thought-Uninf	Negative-inf	Negative-Unin	Grade level Totals
Management	4 80.00 23.53 9.76	1 20.00 7.69 2.44	0 0.00 0.00 0.00	0 0.00 0.00 0.00	5 12.20
V-IX	11 39.29 64.71 26.83	9 32.14 69.23 21.95	2 7.14 50.00 4.88	6 21.43 85.71 14.63	28 68.29
I-IV	1 25.00 5.88 2.44	2 50.00 15.38 4.88	0 0.00 0.00 0.00	1 25.00 14.29 2.44	4 9.76
Undisclosed	1 25.00 5.88 2.44	1 25.00 7.69 2.44	2 50.00 50.00 4.88	0 0.00 0.00 0.00	4 9.76
Press Totals	17 41.46	13 31.71	4 9.76	7 17.07	41 100.00

SOME TYPICAL COMMENTS (II-6)

"Most reporters try to get the right information but do not have that much time to put into the story. I question whether there is much thoughtful journalism about what we do."

"Varies too much to say -- stories vary from generally accurate to wildly inaccurate, and from thoughtful and analytic to knee-jerk."

"Overall most articles are too simplistic in analysis and tend to sensationalize, i.e. AC Board troubles."

"The opposite of thoughtful is not negative."

"From a cursory reading of newspaper articles concerning transportation it would be possible to assume that the only agencies involved were Caltrans and the operators."

"Range of experience from muckrakers to yellow journalists, with only marginal attempts by media to understand the problems -- and our technical perspective. Too much attention to headline grabbing: gridlock takes over city'."

"Just look at the misleading articles in the Tribune and Daily Review, and you tell me."

"I don't make the paper, but what I read generally seems to be well written -- except some of the AC bashing in the Trib and Harre Demorro goes overboard sometimes."

"The better informed reporters (Demorro, Gibb, Colier) have a low opinion of MTC. The uninformed are unable to deal with complexity of transportation issues and misinform the public."

"I have learned what MTC does over the years by reading our press clips. I assume the press is informed."

"Much depends on the reporter (how knowledgeable he or she is). Most reporters have an easier time with bad news than with good news -- story lines have to be hyped to sell newspapers; a natural bias towards the negative."

"Most reporters need to be educated in the beginning and often, as they change often. Our efforts at education, thru editorial office visits, establish professional relationships with reporters, spending time with reporters so they understand many sides of issues helps them write thoughtful and informed articles."

7. HOW DO YOU RATE MTC'S IMPACT ON TRANSPORTATION SERVICES IN THE REGION

A. WITH REGARD TO HIGHWAYS AND ROADS

- Plays a major and effective role – 23%
- Plays a modest but effective role – 38%
- Plays a small but important role – 33%
- Plays an insignificant role – 8%

Chi-Square: 11.434 Phi: 0.541 Contingency
Significance: 0.721 Cramer's V: 0.313 Coefficient: 0.476

Cell Count Row % Column % Total %	Data File: MTC 1						
	SMALL	MODEST	MAJOR	MAJ OR	INSIG		Grade level Totals
Management	1 20.00 7.69 2.56	3 60.00 20.00 7.69	1 20.00 16.67 2.56	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	5 12.82
V-IX	7 26.92 53.85 17.95	11 42.31 73.33 28.21	4 15.38 66.67 10.26	1 3.85 100.00 2.56	2 7.69 66.67 5.13	1 3.85 100.00 2.56	26 66.67
I-IV	4 80.00 30.77 10.26	0 0.00 0.00 0.00	1 20.00 16.67 2.56	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	5 12.82
Undisclosed	1 33.33 7.69 2.56	1 33.33 6.67 2.56	0 0.00 0.00 0.00	0 0.00 0.00 0.00	1 33.33 33.33 2.56	0 0.00 0.00 0.00	3 7.69
Highways Totals	13 33.33	15 38.46	6 15.38	1 2.56	3 7.69	1 2.56	39 100.00

SOME TYPICAL COMMENTS (II-7A):

"MTC does not control funding, thus our influence is indirect. RHS, SAFE and PMS are small but important roles we play to assist in prioritizing needed highway and streets facilities and services."

"Most difficult area – funding, process, rules all work against significant role. MTC has been effective in documenting local maintenance requirements and following up with strategies to improve maintenance practices."

"PMS is a success and important. RHS based advocacy is small now but potentially very important."

"The greatest role is in the development and distribution of the Pavement Management System which will provide local agencies with information to better allocate maintenance funds thereby improving streets and roads in the future."

"Positive – Pavement Management System provides excellent tools, skills to locals, but is it worth 5 person years? In terms of design of regional system of highways, no one cares what we say or do. The RHS proposal has gone nowhere."

"Modest because a lot of the counties have gone 'self help' by raising their sales taxes and creating their own authorities."

"MTC's Pavement Management System is a major tool for the region's highway maintenance agencies. MTC's gift of this computerized Management System will help keep our streets and roads serviceable in an efficient, cost effective manner for the future."

"Given limited amount of funds, we prioritize worthy highway projects each year. Our new mission is to rationalize highway funding after completion of the interstate system and we have an active program for developing local and national consensus on a post-interstate system that does not restrict funding to specific highway categories but allows funds to flow to important regional and local facilities regardless of their classification."

B. WITH REGARD TO TRANSIT

- Plays a major and effective role – 39%
- Plays a modest but effective role – 39%
- Plays a small but important role – 17%
- Plays an insignificant role – 5%

Chi-Square: 3.819
Significance: 0.923

Phi: 0.305
Cramer's V: 0.176

Contingency
Coefficient: 0.292

Cell Count Row % Column % Total %	Data File: MTC 1				
	MODEST	INSIG	MAJOR	SMALL	Grade level Totals
Management	1 20.00 6.25 2.44	0 0.00 0.00 0.00	3 60.00 18.75 7.32	1 20.00 14.29 2.44	5 12.20
V-IX	13 43.33 81.25 31.71	2 6.67 100.00 4.88	10 33.33 62.50 24.39	5 16.67 71.43 12.20	30 73.17
I-IV	1 33.33 6.25 2.44	0 0.00 0.00 0.00	2 66.67 12.50 4.88	0 0.00 0.00 0.00	3 7.32
Undisclosed	1 33.33 6.25 2.44	0 0.00 0.00 0.00	1 33.33 6.25 2.44	1 33.33 14.29 2.44	3 7.32
Public transit Totals	16 39.02	2 4.88	16 39.02	7 17.07	41 100.00

8. DURING THE PAST THREE YEARS WHAT IN YOUR OPINION HAS BEEN THE MOST POSITIVE EXAMPLE OF MTC'S ABILITY TO MAKE AN IMPROVEMENT IN THE REGION'S TRANSPORTATION SITUATION?

Number of times mentioned in response. (Fewer than half the respondents answered this question.)

- | | |
|--|----|
| • New Starts -- | 9 |
| • Dumbarton Bridge service -- | 2 |
| • Interoperator transfer agreements -- | 10 |
| • Pavement Management System -- | 4 |
| • TSM programs -- | 1 |
| • 842 process -- | 1 |
| • Endorsement of sales tax initiative -- | 1 |
| • Transit Information Centers -- | 2 |
| • Legislative program -- | 1 |

9. DURING THE PAST THREE YEARS WHAT IN YOUR OPINION HAS BEEN THE MOST SERIOUS EXAMPLE OF MTC'S FAILURE TO MAKE AN IMPROVEMENT IN THE REGION'S TRANSPORTATION SITUATION?

Number of times item was mentioned in responses. (Less than half responded to this question.)

- | | |
|--|---|
| • Lack of Local tax successes -- | 3 |
| • Delay in Rail Starts Agreement -- | 2 |
| • Lack of Productivity of Local Transit Providers -- | 2 |
| • Lack of progress of multi-operator pass -- | 2 |
| • Lack of impact on Metropolitan Growth problems -- | 2 |
| • Governor's veto of bridge toll legislation - | 2 |
| • Highway gridlock -- | 1 |
| • Miscalculation of sales tax revenue -- | 1 |
| • RHS uncertainty -- | 1 |
| • Peninsula commute -- | 1 |

10. ARE YOU FAMILIAR WITH THE OPERATIONS AND ACTIVITIES OF THE TRANSIT OPERATOR COORDINATING COUNCIL (TOCC)?

- yes – 62%
- No – 38%

Chi-Square: 7.696
Significance: 0.053

Phi: 0.414
Cramer's V: 0.414

Contingency
Coefficient: 0.382

Cell Count Row % Column % Total %	Data File: MTC 1		
	Y	N	Grade level Totals
Management	4 80.00 14.29 8.89	1 20.00 5.88 2.22	5 11.11
V-IX	21 65.62 75.00 46.67	11 34.38 64.71 24.44	32 71.11
I-IV	0 0.00 0.00 0.00	4 100.00 23.53 8.89	4 8.89
Undisclosed	3 75.00 10.71 6.67	1 25.00 5.88 2.22	4 8.89
TOCC Totals	28 62.22	17 37.78	45 100.00

Some typical comments (II-10A)

"The Commission decision process works smoothly because almost all transit policy questions are worked out by TOCC. Not much more should be expected of TOCC. MTC leadership on larger transit challenges is carried on in other places."

"Some committee work on issues like joint procurement and safety have had results. Primarily a forum to discuss joint issues and approaches to solutions. It is the only structured group that brings all of the region's transit operators together on a regular basis."

"I know they exist."

Chi-Square: 10.755
Significance: 0.216

Phi: 0.631
Cramer's V: 0.446

Contingency
Coefficient: 0.534

Cell Count Row % Column % Total %	Data File: MTC 1					Grade level Totals
	MODEF	VERYEF	FAIL	MODFAM		
Management	3	1	0	0	0	4
	75.00	25.00	0.00	0.00	0.00	
	15.00	25.00	0.00	0.00	0.00	
	11.11	3.70	0.00	0.00	0.00	14.81
V-IX	16	2	0	1	1	20
	80.00	10.00	0.00	5.00	5.00	
	80.00	50.00	0.00	100.00	100.00	
	59.26	7.41	0.00	3.70	3.70	74.07
Undisclosed	1	1	1	0	0	3
	33.33	33.33	33.33	0.00	0.00	
	5.00	25.00	100.00	0.00	0.00	
	3.70	3.70	3.70	0.00	0.00	11.11
TOCC effect Totals	20	4	1	1	1	27
	74.07	14.81	3.70	3.70	3.70	100.00

11. ARE YOU FAMILIAR WITH THE PERFORMANCE AUDITS OF TRANSIT AGENCIES?

- Very familiar and knowledgeable – 20%
- Moderately familiar and knowledgeable – 21%
- Not very familiar and knowledgeable – 57%

Chi-Square: 7.843

Phi: 0.422

Contingency

Significance: 0.250

Cramer's V: 0.299

Coefficient: 0.389

Cell Count Row % Column % Total %	Data File: MTC 1			
	VFAM	NOTFAM	MODFAM	Grade level Totals
Management	3 60.00 33.33 6.82	2 40.00 8.00 4.55	0 0.00 0.00 0.00	5 11.36
V-IX	5 16.13 55.56 11.36	19 61.29 76.00 43.18	7 22.58 70.00 15.91	31 70.45
I-IV	0 0.00 0.00 0.00	2 50.00 8.00 4.55	2 50.00 20.00 4.55	4 9.09
Undisclosed	1 25.00 11.11 2.27	2 50.00 8.00 4.55	1 25.00 10.00 2.27	4 9.09
Perf Audits Totals	9 20.45	25 56.82	10 22.73	44 100.00

MTC Employee Questionnaire

12. HOW DO YOU RATE THE EFFECTIVENESS OF THE PERFORMANCE AUDIT PROCESS?

- Successful – 16%
- Qualified success – 74%
- Failure – 11%

Chi-Square: 1.810
Significance: 0.771

Phi: 0.309
Cramer's V: 0.218

Contingency
Coefficient: 0.295

Cell Count Row % Column % Total %	Data File: MTC 1			
	QUALSUC	FAIL	SUC	Grade level Totals
Management	3 100.00 21.43 15.79	0 0.00 0.00 0.00	0 0.00 0.00 0.00	3 15.79
V-IX	10 66.67 71.43 52.63	2 13.33 100.00 10.53	3 20.00 100.00 15.79	15 78.95
Undisclosed	1 100.00 7.14 5.26	0 0.00 0.00 0.00	0 0.00 0.00 0.00	1 5.26
Perf Aud eff Totals	14 73.68	2 10.53	3 15.79	19 100.00

SOME TYPICAL COMMENTS (II-12) AND (II-13):

"No follow up with the operator to see that recommendations are taken seriously and addressed."

"Tie in to allocation cycle and consistent follow through to ensure a response."

"Too much emphasis on reporting, not enough on performance."

"There appears to be little linkage between PA recommendations, allocations decisions and transit planning."

Focus audit on specific problems areas and establish measurable work scope (i.e. milestones) for operator improvements in those areas."

"Tends to be superficial"

"More depth and focus on major issues."

"Within MTC, past audits have not addressed internal functioning of the agency in terms of communication, employee motivation, etc."

"This survey is a major step forward. Executive Office and Commissioners should see summary of employee opinions."

"After the last audit we got more personal computers, as had been suggested."

"Primarily provides work for consultants who are more concerned with 'not making any waves' at the transit operators."

No follow up of findings and recommendations and some kind of better structured follow up on transit operator's response to recommendations."

"The audit provides on the few substantive and constructive feedback messages to transit management -- to the extent any audit motivates a positive response, it is a qualified success."

"If at all feasible, there might be an area where comparisons among operators' performance is meaningful to evaluate."

"Make fewer but major conclusions or recommendations by the auditors."

"After major changes were instituted in 1985, transit operators found it a more amenable, helpful process. However, MTC fails to follow through on findings and recommendations."

14. WHAT IS YOUR OPINION OF THE STATE OF COOPERATION AND COORDINATION BETWEEN TRANSIT OPERATORS IN THE REGION?

- Poor – 16%
- Satisfactory – 27%
- Good but could be better – 49%
- As good as could be expected – 8%

Chi-Square: 16.667
Significance: 0.054

Phi: 0.671
Cramer's V: 0.387

Contingency
Coefficient: 0.557

Cell Count Row % Column % Total %	Data File: MTC 1				
	GOOD	POOR	SAT	ASGOOD	Grade level Totals
Management	4 80.00 22.22 10.81	0 0.00 0.00 0.00	1 20.00 10.00 2.70	0 0.00 0.00 0.00	5 13.51
V-IX	13 48.15 72.22 35.14	6 22.22 100.00 16.22	7 25.93 70.00 18.92	1 3.70 33.33 2.70	27 72.97
I-IV	1 100.00 5.56 2.70	0 0.00 0.00 0.00	0 0.00 0.00 0.00	0 0.00 0.00 0.00	1 2.70
Undisclosed	0 0.00 0.00 0.00	0 0.00 0.00 0.00	2 50.00 20.00 5.41	2 50.00 66.67 5.41	4 10.81
Trans Coord Totals	18 48.65	6 16.22	10 27.03	3 8.11	37 100.00

15. CAN YOUR PROVIDE A SPECIFIC EXAMPLE OF HOW MTC HAS FACILITATED POSITIVE COOPERATION AMONG THE OPERATORS IN THE PAST THREE YEARS?

Number of times item was mentioned in the responses. (Less than half the respondents answered this question)

New Starts --	6
Joint passes --	15
Regional Transit Centers and service coordination --	12
Private Sector Program --	1
TOCC Capital Priorities Taskforce --	2
Regional Capital priorities --	3
842 process --	1
1987 APTA Convention --	2
Dumbarton Bridge Service --	1

16. CAN YOUR PROVIDE A SPECIFIC EXAMPLE OF HOW MTC HAS FAILED TO PROVIDE AN OPPORTUNITY FOR POSITIVE COOPERATION AMONG THE OPERATORS IN THE PAST THREE YEARS?

Number of times item was mentioned. Very few persons attempted to answer this question.

- Peninsula JPA -- 1
- AC-BART-Muni fast pass -- 2
- AC-BART service coordination --1

17. WHAT DO YOU SUGGEST MTC DO TO IMPROVE COOPERATION AND COORDINATION AMONG THE TRANSIT OPERATORS?

Number of times item was mentioned. (Less than half answered this question.)

- Withhold funds - -1
- Provide positive incentives -- 1
- Seek legislation to give MTC more authority and get tougher -- 7
- More meetings with operators' staffs --1
- Merge small operators --1

18. PLEASE PROVIDE ANY ADDITIONAL COMMENTS WHICH WOULD BE USEFUL IN CONDUCTING THE PERFORMANCE AUDIT OF MTC. FOCUS ON COMPLIANCE WITH REGULATIONS AND MANDATES, INTERNAL WORK PERFORMANCE, OVERALL MANAGEMENT DIRECTION AND PERFORMANCE, AND IMPACT ON REGIONAL TRANSPORTATION.

SOME TYPICAL COMMENTS:

"I believe that more can be gained from employees if they feel that their efforts are recognized appropriately in accordance with the EDMM. I also believe managers should recognize and support staff in their effort to support the commission."

"What about how MTC management interacts with its own employees. Much of this questionnaire focus is on how MTC views outside. What about the people that do the work and their impressions on the working conditions between management and employee!"

"MTC should take a stronger role in providing transit services where none exists, i.e., San Rafael Bridge."

MTC and ABAG should be merged into one agency. Additionally, regional land use planning should be implemented. Cities are losing their vitalities to the suburbs which in turn are destroying farm lands and open spaces. This is an acute problem which I see only getting worse and worse."

"Some decentralization in defining and implementing overall policy directions, e.g. more authority/responsibility delegation to section managers and seniors."

"There is extremely poor communication between Executive Office and employees. There is no clear definition of goals and objectives for important work efforts, such as RHS, I-80 Corridor Study, HOV System planning. Executive Office says it wants good technical work, but is critical of staff for not being political enough."

"The questions were all slanted towards Planning and Allocation and Assistance ignoring the other sections of MTC. Possibly you could have Project level questions and how that Project fits into MTC's overall picture."

"Devise a decision model that can cope with the complex environment MTC works in as a basis for determining how well MTC performs, the extent to which it can or does impact the region and its real potential for improvement."

"1960s transportation was esoteric. 1980s transportation planning is too short sighted. Meaningful and longer range planning based on excellent technical

work (rather than pure political). It is time MTC considers its strategic planning."

"I believe that our foundation (i.e. compliance, internal work performance and management direction) is solid – perhaps the best in the nation. We have been in transition (from establishing foundation to impacting regional transportation). New starts, stronger role in coordination and advocacy are right direction generally, but needs to attach meat to the bones."

"MTC is too often concerned with bureaucratic process instead of getting the job done. MTC's transit planning role should be active rather than reactive. MTC should be out front on all the issues, such as New Rail Starts, I-80, etc, lobbying for effective transit solutions and cutting deals to get land use concessions."

"Management Direction/Performance. MTC's primary failure in this area concerns its use of staff resources. Key talent is wasted by the need to do administrative duties first, that are better accomplished by trained administrative assistants. Consequently, professional staff are precluded from spending more time providing technical or policy assistance to transit agencies and rather local officials; re. serious operations/planning issues.

In addition, MTC's personnel policy exhibits serious shortcomings. Recent promotional decisions demonstrate severe inconsistencies on criteria about who gets advanced, and who gets pigeonholed at 'top of scale' while there is an attitude of 'we expect key talent to move on and leave the agency because MTC has limited opportunity for advancement'. Those opportunities tend to be cultivated and reserved for some staff and not for others. Fair competition and consistent application of work standards does not functionally appear to take place in the agency, although management touts such a policy on its face."

"Additional efforts towards communication needed between front office and staff, particularly regarding direction from front office on major projects."

"If appropriate the performance audit (or some outside consultant) should address advantages and disadvantages of having an elected Commission (as proposed to the present system of appointment). "

"Management direction varies considerably at different levels. While I know exactly what my departmental supervisors expect and require, directions from the Front Office and from the Commission's Standing and Advisory Committees are often less clear, let alone individual Commissioners in one on one conversations."

APPENDIX B:

COMMENTS MADE BY

EXTERNAL GROUPS

APPENDIX B

COMMENTS MADE BY EXTERNAL GROUPS

The following is a listing of the points and comments made by the representatives of external groups during FY88 the performance audit. The statements listed are not verbatim and are offered without validation or comment.

SMALL OPERATORS

General Comments

- o MTC's Fund Manual is clear, concise and very helpful.
- o The small operators resent the term "local operators" and prefer to be known as "small operators."
- o MTC performs very well in funding administration and advocacy.
- o MTC focuses attention on the large operators at the expense of the small operators.
- o Overall, MTC is very responsive to requests and tries to help small operators deal effectively with many complex problems.
- o MTC does not think the small operators are important.
- o MTC brings in more than the Bay Area's fair share of discretionary money; they are effective funding advocates.
- o The RTA, by definition, excludes the small operators.
- o There is a tension between regional and local needs.
- o Small operators sense a communication gap with the MTC and feel that some type of regional information clearinghouse would be valuable.
- o Small operators are concerned with road issues as well as transit. MTC coordinators should be well versed in both roads and transit issues in order to deal effectively with their "clients."

Fare and Service Coordination

- o Sonoma County engaged in fare coordination for its transit systems without MTC's help or encouragement.

- o MTC plays an appropriate role in pushing for better service and fare coordination.

Productivity Improvement Program (PIP)

- o The PIP process leaves a number of the small operators out of the process, especially in the area of technical assistance. Some way must be found to bring the small operators into the process.
- o Small operators feel that they do not have sufficient time to contribute to the PIP.
- o MTC is on the right track in finding broad areas of focus for the PIP. However, some small operators have very different problems than large operators (e.g., attendance is not an issue when contracting for service).
- o The PIP should be eliminated. The PIP is a good idea in theory, but the process sometimes seems more important than the results.
- o Requirements such as the PIP are not proportional to the amount of funding received.
- o Union contracts limit the ability of operators to implement changes that improve productivity.

Performance Audits

- o Performance audits are "routine."
- o Not enough resources are allocated to small operator performance audits, resulting in the audits being of little use.
- o Some of the firms conducting the audits do not have sufficient expertise. Not enough money is allocated to small operator audits. As a result, auditors do not get into depth at their properties and the resulting audits are of little use.
- o The performance auditors tend to be planners without operating expertise.
- o Small operators feel that the efficient get penalized, whereas the inefficient get the most time and resources for audits.
- o Performance audits tend to duplicate Section 9 reporting requirements.

Reporting Requirements and Technical Assistance

- o MTC is not blamed for the imposition of requirements by the state and federal governments. However, MTC should just pay "lip-service" to the requirements, instead of thinking up involved processes to implement the requirements.
- o Good marks were given to the MTC for budget analysis, legislative advocacy, and processing claims and grants.
- o The PIP, Section 15 reporting, and performance audits have been improved and streamlined in recent years. MTC does help reduce paperwork in meeting funding requirements.
- o There is a feeling among some small operators that they do not get their money's worth from the amount of TDA that they pay MTC (note: they are referring to MTC's off-the-top administrative allocation of TDA monies, they do not actually "pay" MTC for services rendered).
- o There was concern about the amount of duties of the MTC coordinator. Often the coordinator is given too much other work to do, rather than tending to the needs of the small operators.
- o The small operators lament that their contact with MTC is only through the coordinator, whereas the large operators have multiple points of contact.
- o The MTC tends to view the coordinator role as an entry level position, whereas a more "seasoned" person is often required to be effective.
- o The small operators would like more of their regional coordinator's time.

LARGE OPERATORS

General Comments

- o MTC is an effective fund administrator and advocate. MTC efforts get operators more than their fair share of discretionary funding.
- o MTC's role is being diminished by other agencies and by the legislature.
- o MTC is an effective legislative advocate, although operators do not always agree with MTC positions.

- o MTC's political and administrative leverage is reduced with increased local funding (the current trend).
- o MTC is very helpful with funding, planning and technical support.
- o MTC is a large organization because operators cannot agree on anything. If operators could agree, MTC's staff could be cut by half.
- o MTC is generally competent and helpful on most issues.

Rail Extension Program

- o The rail extensions resolution was a milestone and should be recognized as such. MTC played a key role.
- o Consensus-building was done at the board level, rather than staff initiated. MTC should be credited with the consensus.
- o MTC staff could have had an increased role in the process.
- o The process of reaching the agreement was political.
- o There are still tasks remaining, and the MTC should be furthering the implementation process.
- o One down side to the pact, that affects all bus operators, is the pledging of future Section 3 and 9 monies which could impact bus operations and capital replacement. MTC should have advised the bus operators of the potential negative side of certain rail agreements before the rail program was approved.
- o MTC commissioners had to be well prepared to negotiate the rail pact. MTC staff helped in preparing "the players."
- o The reason the rail pact was possible is that the parties involved saw a catastrophic outcome -- an inability to effectively compete for federal money. Everybody had something to gain by reaching a consensus.
- o Other issues facing the region are not catastrophic, so the rail pact may not be an appropriate model for future consensus-building tasks.
- o MTC appears to be heavily rail oriented.

Fare and Service Coordination

- o Too much emphasis is placed by MTC on fare coordination, especially long distance commuters. Not many people take long distance multi-operator trips. The emphasis should be on coordination of local service and service in lightly traveled corridors.
- o MTC tends to get too involved in the operators business when promoting interoperator transfers, etc. Establishing fare policy is the province of the operator.
- o Service coordination is an appropriate role for the MTC. No other entity considers coordination a high priority.
- o MTC can play a role in bringing about functional consolidation, (i.e., ending needless duplication of service).

Productivity Improvement Program (PIP)

- o There has been no significant improvement in productivity as a result of the PIP.
- o The new process is much better than the old process.
- o The PIP should be eliminated and replaced by a better performance audit process.
- o The PIP is a hoop the operators jump through to keep their funding.
- o To MTC's credit, they have been helpful in reducing paperwork involved in the PIP. MTC has had a good idea in focusing on common regional problems, and it brings operators together to work on common problems.
- o MTC should drop productivity oversight. Productivity issues cover things funded locally, which MTC does not have authority to oversee.

Reporting Requirements and Technical Assistance

- o The paperwork and reporting required by MTC have gotten out of hand.
- o MTC has reduced some reporting requirements, and lobbied to reduce others (e.g., Section 15).
- o Five year plans just keep getting thicker and thicker.

- o Excessive reporting is not generally required by MTC, but is required by federal and State governments.
- o There is too much administrative paperwork, including processes, meetings, reports, and paperwork in general. Legislative change is needed to reduce some of these requirements and the MTC should seek these changes.
- o Sometimes the federal and state requirements don't make sense, but MTC does not oppose them. MTC even tries to make them work, rather than just paying "lip service."
- o MTC takes state and federal requirements, vis a vis the operators, too seriously, and this causes strains on the operators to comply for the sake of complying, which takes time and money.
- o The large operators do not think the MTC's budget analysis and review is meaningful. One comment is that their budgets are too complicated for the MTC analyst to fully comprehend.
- o AB 842 is an unnecessary process that could be reduced to a formula.
- o Rent-a-planner and rent-an-analyst are good programs, and should be continued.
- o Transit operators claim they have not been involved enough in MTC's modeling efforts.
- o MTC has done a very good job in getting discretionary money from the federal and state governments.

PUBLIC INTEREST GROUPS AND REGIONAL AGENCIES

General Comments

- o MTC is like the United Nations, a weak but necessary agency.
- o MTC should have more authority to hammer out decisions.
- o MTC is unique since it has the regional technical information base.
- o MTC must play the role of "steward" for regional transportation resources.
- o MTC is not aggressive enough.

- o The Air Quality Board is the model some people would like to see MTC adopt.
- o MTC does a good job as regional coordinator, and protects regional interests.
- o There was a discussion as to whether MTC really needed more power or just the willingness to use the power it already has. Opinions varied.
- o Bad land use decisions cause problems that the MTC has to solve. The MTC should find ways to proactively influence land use decisions.
- o There needs to be some type of regional agency with clout to deal with the transportation problems in an authoritative manner. MTC should be that agency.
- o MTC sometimes appears to be composed of persons who have local parochial interests rather than regional interests.

Rail Extension Program

- o The rail extension pact was possible because:
 - the problem was serious enough
 - there was a willingness to use local funds
 - there was a fear of losing competitive position for federal and state money
 - a few people could sit down and work together effectively
 - staff was politically sensitive.

Regional Highway System (RHS)

- o RHS requires MTC leadership.
- o RHS is another demonstration of MTC's forward thinking advocacy on a regional and national basis.
- o MTC should go out to the cities on a one-on-one basis and try to get cities to introduce TSM measures, etc.

Fare and Service Coordination

- o MTC should take the consumer's viewpoint, rather than the operator's.
- o MTC should be more involved in fare setting.
- o Coordination that has occurred has been excellent--more is needed.

Pavement Management System (PMS)

- o PMS helps local jurisdictions and is appreciated.
- o PMS training is continuous and gets reinforced. MTC's technical support is excellent.
- o MTC is very responsive to local needs.

PUBLIC WORKS

Regional Highway System (RHS)

- o RHS was premature when introduced. MTC went too fast and wasn't really listening to local agencies.
- o RHS is seen primarily as a means for cities and counties to continue to get FAU and FAS funds in the post-interstate era.
- o RHS is contrasted unfavorably with PMS. PMS started with local needs in mind.
- o The RHS requires time and effort to support. Yet it does not help get money from federal FAU or FAS programs, nor does it help with CTC capital priorities.
- o RHS goals and objectives have not been clearly identified.
- o MTC is not doing all it could to advocate regional HOV lanes.
- o MTC needs to coordinate more closely with Caltrans so that the STIP reflects local priorities.

Pavement Management System (PMS)

- o PMS is a good system and is useful to the cities.

- o PMS is practical and people saw the need for it.
- o PMS is tangible, and is useful today (unlike the RHS).
- o The subject was timely.

MTC STAFF

Rail Extension Program

- o It takes good staff and a good Board to succeed. MTC has a marvelous staff which is supported by an effective Board.
- o MTC staff are not entirely cognizant of the rail consensus-building process.
- o The rail program is a tenuous agreement hinging on resources that MTC does not have. The reason for so little progress on the rail program between FY84 and FY88 is that the Commissioners involved in the rail program left and it took a couple of years for new Commissioners to become informed and involved.
- o MTC's planning and modeling groups were not included in development of the rail agreement. The agreement did not incorporate new analysis or ideas.
- o The process for getting agreements on the rail program sacrificed good planning for political expediency.
- o The whole focus in the process was on "let's develop a regional rail plan," not a regional transportation plan.
- o A big aspect to the plan is that many projects will not get federal funding.
- o Rail is the big regional focus with little technical planning support for the local role.
- o Local funding is the basis of the rail plan so MTC has less of a role. Local jurisdictions have the power because its their money, but they also need federal funds which is MTC's role. MTC was backed into a corner, promising federal funds for rail extensions.
- o MTC staff was not involved in planning and did not use criteria for regional significance in reviewing proposed rail extensions.

- o The technical and planning side of MTC has diminished in favor of consensus-building and political support.

General Comments - Programs, Process, and Technical Support

- o If there is no money to fund projects, the MTC cannot be results oriented and must focus on process -- it's all that is left. Process justifies existence.
- o MTC needs control over a regional gas tax.
- o Staff assigned to "process" have become inundated with the process and are now convinced that it is perfect.
- o MTC's focus is on the process and the production of "cookie-cutter" projects.
- o PMS is a good example of MTC's staff's ability to provide technical support. The PIP is a bad example of MTC's abilities, because the PIP is not effective.
- o The PIP is an example of where the process meets legislative requirements. MTC implements the process without achieving intended results.
- o MTC is most successful when MTC staff does the work. Efforts are wasted when operators are expected to do the work. Examples of when MTC did the work and the project was successful include fare coordination (e.g., AC/BART ticket), BART ticket booths, and other RTA projects.
- o The MTC needs to coordinate roads and transit. The MTC's influence on road issues is nonexistent because MTC does not control the funding. MTC's influence on transit issues is nominal because of the MTC transit funding role, particularly transit capital.
- o MTC staff need a computer database of facts to better respond to numerous requests for information.
- o MTC is issue orientated rather than planning and programming. Political deals are easier to execute than well thought out plans.
- o MTC does not do multi-modal planning. This may change in the future with a strategic plan.
- o The MTC needs a better balance between its technical planning role and political decisions.

- o There is a transit bias at the MTC, particularly rail transit.
- o MTC is not involved enough in land use planning and should find a way to influence land use decisions. One suggestion is that the MTC could provide technical support by evaluating development impacts and presenting the results of this analysis to city and county policymakers.

General Comments - Internal MTC Communication and Direction

- o The MTC should evaluate where it's going. What is the plan, how should we change our work responsibilities, and where are we heading, were typical questions asked by staff.
- o Internal MTC communications are weak.
- o Internal coordination needs are even greater now, given the new reorganization and sectional divisions.
- o MTC needs a better plan to direct staff toward what they should be involved in. Direction on legislative issues is clear, but direction to the rest of the organization is lacking.
- o MTC takes action without a plan, then tries to justify actions after the fact. Staff is now placed in the position of justifying the reorganization.
- o More brainstorming and staff input are needed. The MTC has a lot of staff talent which is not used because the hierarchy is too steep and direction is generally from the top down.
- o Lunch-time "brown-bag" sessions to discuss ideas with top management are needed.

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